COMMERCE AMERICA

U.S. Department of Commerce / June 20, 1977

Taking the Profit Out of ARSON

Newsmemo

U.S. hospital care is being increasingly aided by computers. The electronic helpers are being used more and more in daily patient census reports, patient monitoring, environmental and security monitoring, and paging systems. The principal use is still financial control. In 1970, 45 percent of U.S. hospitals were making use of computers. By 1976, the figure was 70 percent. Hospital spending for computers and related services is now about $100 million per year, and is expected to rise steadily even though unit costs of equipment are coming down, according to the projections of the Hospital Financial Management Association.

An unusual competitive challenge in American retailing today is that of the fast-food restaurant vs. the grocery supermarket. The food dollars are being spent less at the shelves, more at the carry-out line. Currently 1 of every 3 food dollars is spent eating out. Projections for the 1980's indicate that rate may reach 1 in 2. Grocery store sales last year grew by 7 percent to $131 billion, while restaurant sales went up by 10 percent to $52.3 billion. The fast-food segment of the restaurant total grew by 13 percent.

Growth of fast-food service mirrors current U.S. lifestyle changes. It is built on the appeal of advertising, the greater number of working wives, the increased mobility of the American people, and a new emphasis by the fast-food units on selling quality food. Grocery chains are not taking the fast-food challenge lightly. Their responses include offering their own carry-out foods, building their ads around the savings and other advantages of eating at home, and stressing the nonfood areas such as health and beauty aids and soft goods.

Codes of business conduct are in effect in 9 of 10 U.S. firms. So reports the University of Virginia after surveying 1,000 companies. Among the larger industrial enterprises, 97 percent have formal standards, compared with 74 percent among smaller firms. Some grounds for dismissal in the codes: offering or taking a bribe, by 80 percent of firms; illegal political contributions, by 85 percent, and price-fixing, by 96 percent. Of the firms doing business abroad, 80 percent say they expect to meet individuals seeking payoffs. Domestically, the comparable figure is 23 percent.

Wilkommen! A new German language brochure has been published by the Metropolitan Development Board of Birmingham, Alabama. It tells West German firms about the city's industrial advantages and tax savings, and that it "offers a geographic position in the Sunbelt which is within a 500-mile radius of 75 million consumers." For a copy of "Birmingham: A Thriving Climate for Business and Industry" write to Dept. DCI-Birm. G, Suite 2100, 733 Third Ave., New York, N.Y. 10017.

A natural starting point for foreign officials and business executives who come to the U.S. on buying missions. The Agricultural Trade Council thus describes its 89-acre AG-EXPO exposition center at Sabillasville, Md., an hour's drive north of Washington. After its opening on Sept. 28 it will have year-round displays of agricultural equipment and supplies, livestock and commodities, food and food machinery, farm structures and services. For display information, firms may write the council at 1028 Connecticut Ave., NW., Suite 407, Washington, D.C. 20036, or call 202-833-1160.

Talk about security in the heart of a modern metropolis! When the London U.S. Trade Center put the products of 29 U.S. security equipment makers on display in March, the show was supported by a seminar on advances in security systems technology. Speakers included the Chief Crime Prevention Officer of Scotland Yard, the Secretary General of Interpol, the Assistant Director of the FBI and the head of security for Esso Europe. "Probably the best supported show I've ever been at," said William A. Columbus of Pyr-A-Larm, Inc., Cedar Knolls, N.J., "and I've been doing this for 15 years."

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COVER: Computers will play an important role in a nation-wide anti-arson campaign when a computerized fire loss data bank is established next year to help expose major arson and property fraud rings now moving undetected from city to city, and persons who purchase additional insurance for the purpose of filing duplicate claims.

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The Underlying Rate Of Inflation

This column was prepared by Commerce Chief Economist Courtenay Slater, in collaboration with staff economist H. Kemble Stokes, Jr.

Dr. Slater

Recent sharp increases in both wholesale and consumer prices have raised questions concerning the "underlying" rate of inflation. For some time it has been argued that this underlying rate is in the neighborhood of 6 percent per year, even though the actual increase in consumer prices during the first four months of this year was an annual rate of 10 percent. A reasonably precise and understandable working definition of the underlying rate of inflation is a first prerequisite for clearing up confusion on this question. Using either a definition based on labor costs or one based on prices of nonfood, nonfuel items, a convincing case can be made that the underlying rate is about 6 percent.

In attempting to determine the underlying rate of inflation, one should examine prices and costs of the goods and services produced in the nonfarm domestic sector of the economy. This concept excludes volatile farm prices and prices of imported goods. To some, this exercise may seem to be no more than economic sleight of hand. In reality it represents an attempt to examine that bundle of goods and services whose prices most closely respond to the internal strength and level of activity of the domestic economy. Such a measure is of assistance in guiding governmental economic policy, since policies designed to influence the level of domestic demand have little influence on farm prices or prices of imported goods.

Production costs in the nonfarm domestic sector may be measured by hourly labor compensation, adjusted for the trend rate of productivity growth. Such a measure incorporates wages and fringe benefits, as well as payments for social security taxes. Using the trend rate of productivity growth removes the effects of cyclical and other short run aberrations in productivity which have only a minimal effect on pricing decisions.

For the nonfinancial corporate sector, measures of nonlabor costs per unit of production and of total units costs also are available. These measures include unit profits, which can change sharply in the short run as a result of pronounced changes in economic activity but can rightly be dismissed in specifying a longer-term underlying rate of inflation.

When the underlying rate of inflation is viewed in terms of the principal costs of production, there appears to be no serious divergence from a 6 percent rate.

From the first quarter of 1976 to the first quarter of 1977 hourly compensation in the nonfarm business sector rose 8.0 percent, productivity 2.4 percent, and unit labor costs 5.4 percent. If these compensation changes are adjusted by a trend rate of growth of productivity of 2.2 percent per year, rather than by actual productivity gains, the trend increase in unit labor costs is 5.7 percent. The comparable figure for nonfinancial corporations would be 6.0 percent. Unit nonlabor costs of nonfinancial corporations rose 5.3 percent and total unit costs 6.0 percent. It is true that during the first quarter hourly labor compensation rose at a 10.3 percent annual rate (nonfarm business sector), but this rate was bloated by sharply increased social security taxes and a greater sensitivity of hours than compensation to the cold weather early in the quarter and is not representative of the basic trend.

Collective bargaining settlements averaged 8.5 percent for first-year adjustments and 6.7 percent over the life of the contract in the first quarter of this year, virtually identical to those reached in 1976 and somewhat lower than in the preceding two years. These settlements are only suggestive of general trends because the coverage of the data is severely limited. These estimates exclude subsequent increases due to cost-of-living escalation clauses, a factor which can be only roughly estimated, but is not insignificant. In addition the union sector comprises only about 20 percent of the total workforce. Historically, wage changes in nonunion sectors have lagged changes in union wages during periods of high unemployment. The Bureau of Labor Statistics Employment Cost Index shows that wages and salaries in occupations covered by union contracts rose 7.8 percent from the first quarter of 1976 to the first quarter of 1977, while in noncovered jobs the rise was only 6.2 percent.

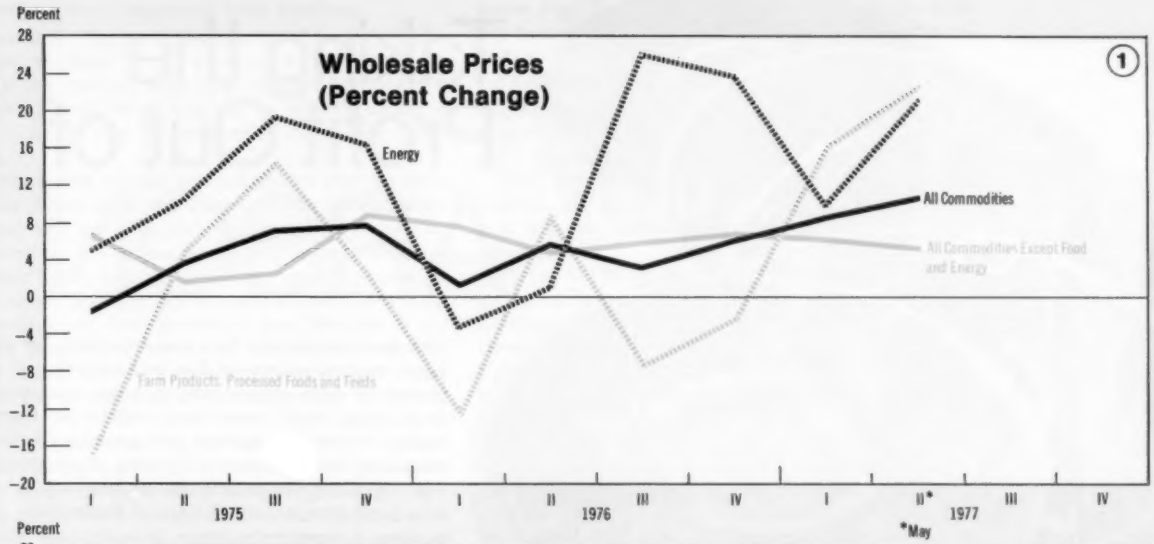
The alternative approach, specifying the underlying rate of inflation by examining the price of a particular basket of goods and services, generally results in dismissing the price changes that have occurred in the agricultural and energy sectors. This practice departs somewhat from the domestic nonfarm concept since, obviously, imports are not limited to fuels and not all fuel is imported. However, the concept is a convenient one from the viewpoint of data availability and an important one because of the unique inflationary problems in the energy sector during the past few years.

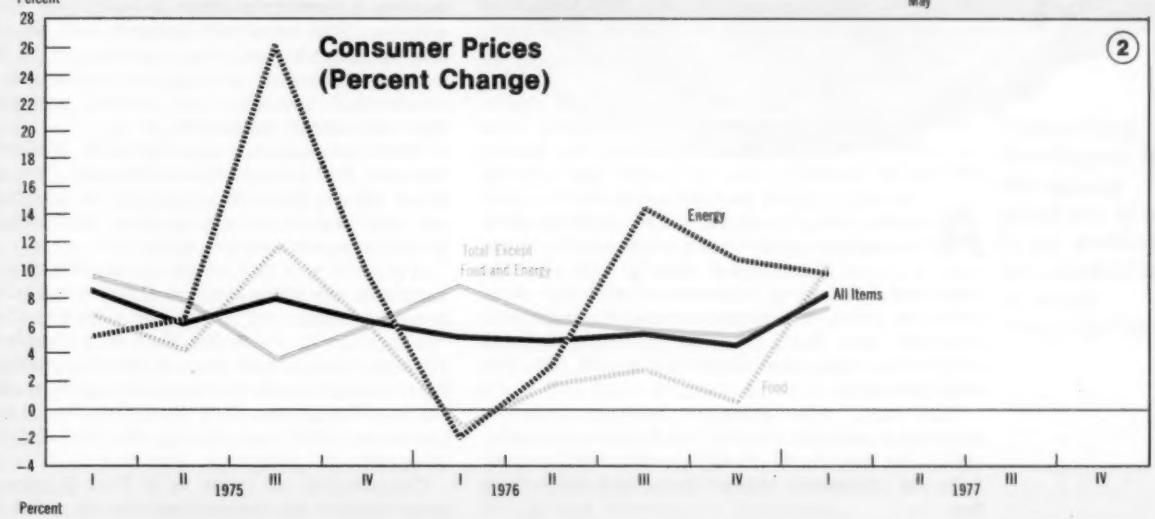
Wholesale prices excluding energy and food rose by 5 percent during 1975 and 6 percent during 1976. Thus far in 1977, price increases have been within this 5-6 percent range.

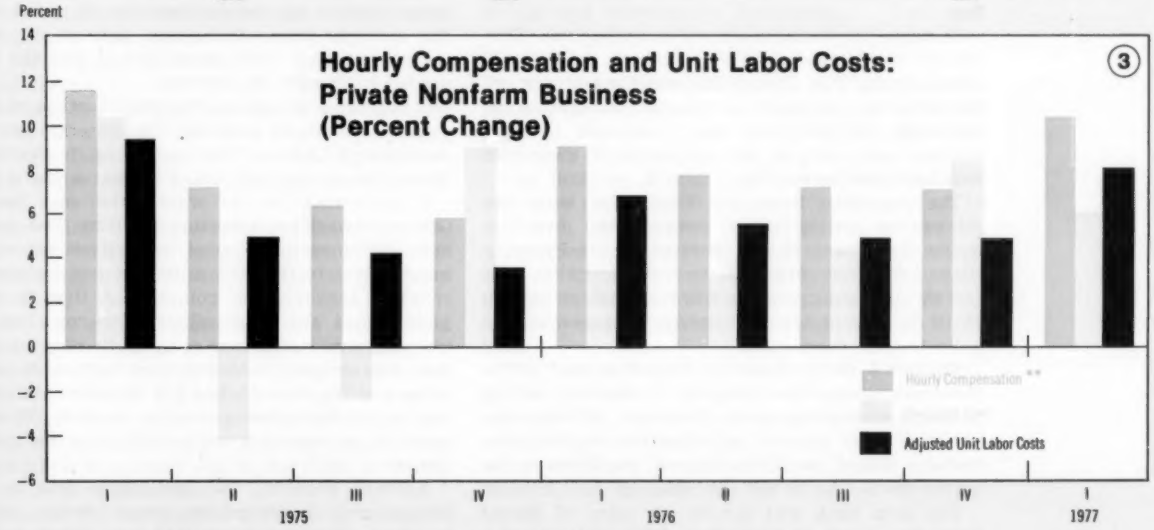
Consumer prices of nonfood commodities other than fuel rose 9.4 percent in 1975, 5.1 percent in 1976 and at a 5.7 percent rate during the first four months of 1977. Consumer prices of services (excluding fuels) have risen somewhat more rapidly: by 9.1 percent in 1975, by 8.0 percent in 1976, and at an annual rate of 9.8 percent thus far in 1977.

Another measure of nonfarm domestic prices is the implicit price deflator for nonfarm gross domestic product. This measure rose 5.2 percent from the first quarter of 1976 to the first quarter of 1977, and at a 4.4 percent rate during the first quarter.

It is not possible to identify or construct a single measure which can be referred to as *the* rate of inflation. When all of the available series are examined, some are below 6 percent, others are above, but the weight of evidence continues to indicate an underlying inflation rate of about 6 percent.







** Hourly compensation adjusted by trend productivity of 2.2 percent per annum.

NOTE: All percent changes are at annual rates and based on seasonally adjusted indexes.
SOURCE: U.S. Department of Labor

Taking the Profit Out of ARSON

A major effort to stamp out the nation's most expensive crime—arson—is presently under way on several fronts in this country in an effort to reverse the spread of "fires for profit" and other forms of arson. Firefighters across the continent generally agree that taking the profit out of arson will, in one insurance executive's words, take the sting out of it.

That sting costs American business a bundle every year and produces for the U.S. the sad reputation as the worst of all industrialized nations from the standpoint of destruction and death from fire.

Commerce's National Fire Prevention and Control Administration (NFPCA) through its National Academy for Fire Prevention and Control are undertaking to organize and promote an anti-arson campaign. At the same time, a number of communities are carrying on campaigns of their own that are showing results.

The American Insurance Association is in the process of setting up a computerized fire loss claims data bank to be operated by its Property Claims Services. This will be a subscription data service to begin operation when companies writing 75 to 80 percent of the property insurance volume indicate their support.

Wilfred J. Perry, Assistant Vice President of the Association, says that thus far companies writing 53 percent of the property insurance volume have indicated their support, and that the required percentage should be obtained soon. He believes the system should be in full operation by July 1, 1978.

The data bank will provide an index of all insured fire losses of more than $500, and will give insurers access to information about recorded claims that bear similarities to a current claim. By providing a central source of fire loss histories, it is expected to help expose major arson and property fraud rings which now move undetected from city to city, as well as persons who purchase additional insurance for the purpose of filing duplicate claims.

A NFPCA grant of $69,375 has been made to Lincoln Land Community College of Springfield, Ill., to develop a model fire-arson investigation training program. The completed program will be turned over to the National Fire Academy to be implemented. The course will be used nationwide as a standardized education and training program for fire and arson investigators.

"With this course," says David M. McCormack, National Fire Academy superintendent, "we expect to be able to train fire personnel in investigation and detection so as to have more arson cases culminate in arrest and conviction."

One problem is to have arson classified as a Part 1 crime in the FBI's Uniform Crime Reports. Arson specialists stress the paradox of a system of crime classification in which the theft of a bicycle or of a handful of change from a parking meter is a Part 1 crime while arson, which often results in death and may cost more than $3 billion a year in fire losses, still limps along in the Part 2 category of crimes.

Classification of arson as a Part 1 crime, the arson fighters say, would place this brutal crime in the spotlight where it belongs, take it out of the neglect category, and assure that it gets the funds needed to dampen its increase.

However, a change in the classification of arson confronts a major problem. The International Association of Chiefs of Police, Inc., at its meeting in Miami Beach last fall, voted against a change.

A spokesman for the organization says the reason is primarily a reporting problem. The spokesman explained that one of the criteria for reporting a crime to the FBI is that it can be reported reliably. However, he pointed out that in many jurisdictions the responsibility for reporting and investigation, in the case of arson, is not clear. The fire departments in many jurisdictions have the responsibility, he said, but fire departments usually are not in the crime reporting business. Thus the problem of reporting arson falls between musical chairs.

Another problem, the spokesman said, is that where arson is committed, other crimes, such as burglary, often are committed also. Where a series of crimes are committed, he said, only the most

important is reported. Thus, if arson is accompanied by burglary, only the burglary is reported. The question then would be whether arson should be rated as more important than burglary.

Howard D. Tipton, NFPCA Administrator, thinks a basic problem is a widespread reluctance to change the present reporting system. He says he is hopeful that those opposed to making arson a Part 1 crime can be persuaded to change their minds.

Another goal of the arson fighters, the achievement of which is in the future, is the development of better and less expensive equipment for determining whether a fire was arson and if so what "accelerator" was used to get it going. At present, a hydrocarbon detector can be used to ascertain whether gasoline was used to start a fire. But this is expensive equipment, which the smaller fire departments cannot afford. Something cheaper and better awaits the availability of funds for the necessary research.

Plans, when funds are available, call for a management study program to identify what is needed and a program to develop better technology. The management study would involve the formation of a model task force to combat arson and produce ideas as to how communities could work together effectively. Technology developed for the space program is said to be available for adaptation to arson investigation.

Tipton says the first problem in dealing with arson is the lack of accurate information as to how big a problem it actually is. The best estimate, he explains, is that arson accounts for 20 to 30 percent of the national fire loss, while city fire chiefs believe that arson accounts for probably 50 percent of all building fires.

"We have a different problem with arson than with a lot of other crimes," Tipton remarks. "Arson can be used to cover up crime."

It is generally recognized that a basic difficulty in detecting arson is that the fire often burns up the evidence. This places a special emphasis on the development of better means for determining whether arson has been committed, and for spotting arsonists.

Tipton emphasizes the importance of the American Insurance Association data bank, since it will make possible the development of a pattern of insurance frauds.

"We are also asking insurance companies," he says, "to do a better job of looking at properties before they insure them, and the fire departments to do a better job of investigating fires after they happen . . ."

Tipton points up the necessity of better training for persons seeking to reduce the arson tide, and for developing in prosecutors a better awareness of the problem.

Better and cheaper instruments for ascertaining whether a fire has been set deliberately, he observes, can often furnish leads to the person who set it. For example, if gasoline was used to start a fire, it might be possible to develop leads as to who was buying gasoline in a portable container nearby and whether the person was in the habit of buying gasoline in such quantities.

"We could develop profiles of known or suspected arsonists," Tipton says.

He observes that there are behavioral patterns in arson that may lead to evidence of deliberate fires—the teenager who may set a fire out of revenge or for kicks, the wife who may burn the house down to get even with her husband, the nursing home inmate who may start a fire out of boredom or in the hope of getting relocated.

"Arson," Tipton comments, "is the quickest parking lot maker in the world. Besides the tremendous property losses from arson, in the neighborhood of 1,000 persons die each year.

"We are doing more and more," he says, "to combat the problem as we have more funds. We will ask for additional funds to support a bigger program."

Victor U. Palumbo, Arson Program Manager for the National Academy for Fire Prevention and Control, points to the recent fire-arson investigations seminar held at George Mason University in Fairfax, Virginia, as an example of workshops to be conducted throughout the country.

This seminar dealt with such advanced concepts as management of an arson squad, and with auto and electric fires as well as building fires.

Emphasizing that many prosecutors need to be educated in handling arson cases, Palumbo says the National College of District Attorneys will be asked to stage an arson seminar in their round of discussions later this year.

The arson task force concept, he explains, should include the police and fire departments, the insurance industry, and the prosecutor. "Those four groups are mandatory on the local level for an effective task force," he says. "Without the participation of the prosecutor you will go nowhere."

The NFPCA course for training fire personnel in running down arson cases and preparing evidence will be ready, he says, in April 1978.

"In the next two or three years," Palumbo predicts, "you will see an increase in arson cases because they will be detected. Eventually, they will level off. People will think twice about starting a fire if they know they will be investigated, and this will eliminate a lot of fraud fires."

Palumbo says that arson is flourishing because of the need for better trained fire personnel in the area of detection and the low conviction rate due to improper investigative techniques.

"The only way we can lick this thing," says John Wrend, of the American Mutual Insurance Alliance's Property Loss Research Bureau in Chicago, "is to get all agencies dealing with arson under central guidance. You must have direction from the state attorney's office."

One problem, Wrend says, is the slum landlord, who buys up a dilapidated property, brings it up to minimum underwriting standards, and obtains insurance on it. Then there is a fire and the landlord collects the insurance. Sometimes, Wrend comments, the landlord doesn't have to set the fire or hire someone to start it, as vandals will do it for him.

The largest increase in fraud fires, Wrend says, occurs at times of economic downturn. Fires are set, he adds, merely to make money, to liquidate debts, to eliminate competition, to get rid of obsolete inventory, to get out from under a losing business, or because the owner is in declining health.

"If you take the profit out of arson," he says, "you will take the sting out of arson."

Technology developed for the space program is said to be available for adaptation to arson investigation.

Michael J. O'Connor, Chief Fire Marshal, New York City, says that in 1976 fire damage in New York City totaled $100 million, of which he estimates half was due to arson. In New York City, O'Connor says, the greatest number of fires are set by malicious youths or for revenge, while the greatest dollar damage is from fires set by or for slum landlords, and store owners. Another problem in New York City is fires set to enable welfare recipients to be relocated.

O'Connor adds that homicides from arson in New York City rose from 25 in 1972 to 68 in 1976.

One helpful development, he points out, is that Mayor Abraham Beame has allocated 50 additional fire marshals to investigating suspicious fires, despite the city's financial problems. The fire marshals, he explains, go out into the community planning districts and try to get the people to be aware of arson. For example, citizens are asked to report to the fire department if people are moving out of a place at 3 a.m., or if a store is moving out merchandise at midnight. In such cases an investigation will be made. Also vacant apartment buildings are protected until repaired and reoccupied.

Seattle is an outstanding example of a city that has taken effective action on arson. In June 1975, a task force was set up to investigate suspicious fires in which the damage exceeded $1,000. The force consists of six firefighters, two police detectives, one lieutenant, and Fire Captain Richard Hargett, commander of the unit.

The task force went to work immediately on the problem of fires that bore the marks of being set on purpose. Results were immediate.

In the year before the task force was created, there were 646 arson incidents involving a loss of $3.4 million and six cases a month in which persons were apprehended on arson charges. In the first year in which the task force was in operation the arson incidents were reduced to 560 and the loss to $2.2 million. Persons apprehended, meanwhile, increased to 10 per month.

. . . citizens are asked to report to the fire department if people are moving out of a place at 3 a.m. or if a store is moving out merchandise at midnight.

"If you start a fire in Seattle," said Hugh Maguire, Senior Inspector of the Fire Department, "you stand a very good chance of being caught, and if you're caught you stand a better chance of going to jail."

The results achieved in Seattle, Maguire said, have been aided greatly by complete cooperation between the fire chief, the police chief, the mayor's office, the city council, the prosecutor's office, the insurance industry, and the news media.

One effective action, Maguire said, has been the establishment of a training program for fire fighters consisting of three phases: the basic training in the Police Academy that all law enforcement officers undergo; the course provided by the detective school; and training in investigating a fire.

Maguire recalls the case of a man who had a reputation for setting fires for profit, but he found the Seattle climate hotter and less profitable, so he moved to less diligent climes.

In Wayne County, Michigan, a fire fraud unit was created four years ago when a widespread outbreak of "fires for profit" occurred. Robert C. McClary, coordinator of the unit, said that thus far the unit has talked to 30 or 35 "torches," or persons who set fires for hire, and that more than 150 persons have been indicted for fraud fires alone. Sometimes the person for whom the fire was set was sunning himself on a beach in California.

In the Detroit area, McClary said, the conviction rate has been 75 percent, achieved in large degree by allowing persons to plead guilty to a lesser crime if they talked.

"The general result," McClary said, "has been to stabilize the situation in Wayne County and turn it around, but many other areas appear to be catching up with Detroit."

Marion H. Estepp, Deputy Fire Chief for Operations in Prince George's County, Md., says that in his part of the Washington, D.C., area, arrests are being obtained in 40 to 45 percent of the arson cases, and 80 to 90 percent of those arrested are convicted.

Estepp says that in his area the majority of fires are set by juveniles aged 15 or 16, sometimes for revenge, and that fraud accounts for about 15 percent of the arson fires. Computer profiles are made of arson cases, he explains, and a monthly report made to provide background information on arsonists.

Alcus Greer, Houston, Texas, Fire Marshal, whose arson squad has a nationwide reputation for effectiveness, lists the following major arson problems: failure to detect the crime; the fire department lacks the manpower to do the job; the average arson investigator is poorly trained; in many states the law doesn't put arson investigators under the code that makes them peace officers; and over-insurance by insurance companies that use lax methods and often do not inspect the insured property.

These new efforts by Commerce's fire prevention agency in collaboration with insurance firms and municipalities are expected to result in better control of this national scourge.

Research Reports On Arson

Research reports on arson can be obtained from Commerce's National Technical Information Service. Available titles with prices for paper copy and microfiche, are:

Incendiarism: An Overview and an Appraisal, AD-A018 726/O CZ ($3.50, $2.25).

Arson, Vandalism and Violence: Law Enforcement Problems Affecting Fire Departments, PB-242 070/1 CZ ($7, $2.25).

The Cost of Crimes Against Business, COM-74-51192/4 CZ (*, $2.25).

Federal Government Sources on Crimes Against Business, COM-74-50929/0 CZ (*, $2.25).

The Dimensions of Juvenile Arson and False Fire Alarms for the Urban Areas of San Diego, PB-214 910/CZ ($4.50, 95 cents).

Fire/Arson Prevention and Disaster Preparedness, UCRL-76177/CZ ($4, $2).

* Paper copy available from Government Printing Office

The reports may be ordered from NTIS, U.S. Department of Commerce, 5285 Port Royal Road, Springfield, Va. 22161. Please order by number, specify paper copy or microfiche. Enclose payment in full and provide complete mailing address.

ANTI-BOYCOTT

Rules Strengthened

Federal legislation significantly strengthening U.S. policy against complying with foreign boycotts had been passed by Congress and awaited Presidential signature as this issue of *Commerce America* went to press.

The new provisions are a part of the Export Administration Amendments of 1977. The amendments also contain other provisions designed to improve export administration generally, which are discussed later in this article.

The principal effects of the new anti-boycott provisions are:

- To prohibit U.S. persons or firms and their foreign-controlled subsidiaries from refusing to do business 1) with firms blacklisted by a boycotting country and 2) with boycotted friendly countries pursuant to foreign boycott demands:
- To prohibit U.S. persons or firms and their foreign-controlled subsidiaries from refusing (or requiring any other person to refuse) to employ, or otherwise discriminating against any U.S. persons or firms on grounds of race, religion, sex or national origin in order to comply with a foreign boycott;
- To prohibit U.S. persons or firms and their foreign-controlled subsidiaries from furnishing information about another person's race, religion, sex, or national origin where such information is sought for boycott enforcement purposes;
- To prohibit U.S. persons or firms and their foreign-controlled subsidiaries from furnishing information about past, present, or prospective relationships with boycotted countries or persons or firms blacklisted by a boycotting country;
- To prohibit U.S. persons or firms and their foreign-controlled subsidiaries from furnishing information about whether any person is a member of, has made contributions to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization that supports a boycotted country, and
- To prohibit U.S. banks from paying, honoring, confirming or otherwise implementing letters of credit that contain any illegal boycott condition or requirement.

The new legislation notes two conditions that must exist before a violation of the law may be found. First, the activities in question must be in the interstate or foreign commerce of the United States. Second, any action or agreement must be taken or knowingly agreed to be taken with intent to further or support an unsanctioned foreign boycott.

Several significant exceptions to these prohibitions are provided to permit certain normal commercial practices to be followed, and to allow compliance with local laws by U.S. persons resident in a foreign country, in certain cases.

One of the major exceptions permits compliance with requirements of the boycotting country against the importation of goods or services from the boycotted country and prohibitions against the shipment of goods to the boycotting country on a carrier of the boycotted country or by a route other than that prescribed by the boycotting country.

A corollary exception permits compliance with import and shipping document requirements with respect to the country of origin, the name of the carrier and route of shipment, the name of the supplier of the shipments or the name of the provider of other services. However, no information knowingly furnished in response to such requirements may be stated in negative, blacklisting, or similar exclusionary terms after a year after enactment.

Several significant exceptions to these [anti-boycott] prohibitions are provided to permit certain normal commercial practices to be followed.

A third exception permits compliance with requirements dealing with the unilateral selection by a boycotting country of carriers, insurers, suppliers of services within the boycotting country or of specific goods which in the normal course of business are identifiable by source upon importation. This selection must be stated affirmatively and it must be specific with respect to a particular supplier and with respect to a particular phase or aspect of the transaction. A fourth exception permits compliance with the export requirements of the boycotting country relating to shipments to the boycotted country. Another exception permits an individual to comply with the immigration or passport requirements of the boycotting country.

Lastly, there is an exception permitting a U.S. person or firm residing in a foreign country to comply with the laws and regulations of that coun-

try pertaining exclusively to activities within that country. Here, rules and regulations may permit a U.S. person residing in a boycotting country to comply with the laws and regulations of that country governing imports into the country of trademarked, tradenamed or similarly specifically identifiable products or components of products for the person or firm's own use, including the performance of contractual services within the country. These exceptions, however, do not overrule the prohibitions listed above with respect to discrimination on the basis of race, religion, sex, or national origin, or the furnishing of discriminatory-type information.

Three other provisions of the new anti-boycott legislation should be noted.

One is that nothing in the legislation is to be construed as superseding or limiting the operation of the antitrust or civil rights laws of the United States.

Another is that the regulations issued to enforce the new anti-boycott provisions shall preempt any state or local law, rule or regulation dealing with participation in, compliance with, implementation of, or the furnishing of information regarding restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries.

Regulations issued to enforce the new anti-boycott provisions preempt any state or local law, rule or regulation.

Lastly, any person or firm, including foreign-controlled subsidiaries, subject to the provisions of the new anti-boycott regulations and receiving a request for the furnishing of information, the entering into or implementing of agreements, or the taking of any action that has the effect of furthering or supporting a foreign boycott against a country friendly to the United States or against any U.S. person, will be required to report the receipt of the request to the Secretary of Commerce. The report is to include information as to whether the request has been, or will be, complied with.

As is presently the case, these boycott reports will be made available to the public for inspection and copying. Information regarding the quantity, description and value of the commodities or supplies to which the report relates may be kept confidential, but only if the Department determines that disclosure thereof with respect to any particular U.S. person or firm would place that person or firm at a competitive disadvantage.

Other provisions of the new legislation, designed to improve export administration generally, include:

- Extending the Export Administration Act of 1969 to Sept. 30, 1979;
- Providing for a continuing analysis of national security export controls so that a country's Communist or non-Communist status is not the sole determinant of U.S. policy;
- Permitting agricultural commodities purchased for export to be stored in the United States free from any future short supply export limitations, provided certain conditions are met;
- Providing for a review of national security export controls to determine whether modifications are needed in light of evolving technology, the availability of restricted items from sources outside the United States, and other relevant matters;
- Improving the role of industry representatives in formulating and implementing export controls;
- Requiring that export license applications be processed within 90 days, and
- Increasing the monetary penalties for violations of the Export Administration Act and the rules and regulations implementing the Act.

The Export Administration Amendments of 1977 also require that certain studies be undertaken and the results reported to the Congress within specified time periods.

- The Department, in consultation with appropriate government departments and agencies and with the appropriate Technical Advisory Committees, is to review the rules and regulations issued under the Export Administration Act, including the list of commodities subject to export control, with the view to simplifying and clarifying them.
- There is to be a review of the multilateral export controls in which the United States participates with the view to assessing the effectiveness of such controls and to formulate specific proposals for increasing their effectiveness.
- The Department, in cooperation with appropriate government departments and agencies and the appropriate Technical Advisory Committees, is to review the commodities and technical data under unilateral and multilateral control to determine which controls should be removed, modified or added, taking into account such factors as the availability of the restricted items from other nations and the degree to which availability of these items from the United States or other countries participating in multilateral controls would make a significant contribution to the military potential of any nation threatening or potentially threatening the national security of the United States.
- The Department is to conduct a study of the transfer of technical data and other information to countries to which exports are restricted for national security purposes. The study is to address the problem of export, by publication or any other means of public dissemination, of technical data or other information on the national security and foreign policy of the United States, together with recommendations for monitoring such exports without impairing freedom of speech, freedom of the press or freedom of scientific exchanges.
- The President, acting through the Secretary of Commerce, the Secretary of Labor and the International Trade Commission, is to conduct a study of the domestic economic impact of exports from the United States of industrial technology whose export requires a license under the Export Administration Act. The study is to include an evaluation of current exporting patterns on the international competitive position of the United States in advanced industrial technology fields and an evaluation of the present and future effect of these exports on domestic employment.

Under the legislation, the Commerce Department's Office of Export Administration is required to issue regulations implementing the new anti-boycott provisions not later than 90 days after enactment. The regulations are to be issued in final form and become effective not later than 120 days after issuance. A grace period is provided for written contracts or other agreements entered into on or before May 16, 1977.

Energy Digest

A FEDERAL BOOST . . . The Federal Government is funding a $10 million program designed to stimulate the purchase of solar hot water heaters. Up to 10,000 homeowners and a number of hotel and motel owners will be eligible to apply for a grant or contract to pay part of the cost for installing solar hot water heating systems. Participants will be required to share a significant portion of the costs. The Energy Research and Development Administration (ERDA) will run the hotel and motel program, while the Department of Housing and Urban Development (HUD) will handle the residential program through state agencies in Connecticut, Massachusetts, New Hampshire, Rhode Island, Vermont, Delaware, Maryland, New Jersey, Pennsylvania and Florida. This "hot water initiative" is expected to provide a market large enough to significantly improve the manufacturing and servicing capability of the solar industry and to encourage private purchase of solar equipment. Acting ERDA Administrator Robert W. Fri said, "Solar energy is so close to being competitive with other fuels for heating water that a stimulus such as this could very well provide the essential market boost. Our goal is to make it fully competitive as soon as practical."

CYRANO DE KILOWATT . . . The number of wind-powered electric-generating machines built and sold to homeowners and businessmen in the United States increased more than 50 percent in 1976, from a base of 750 units in 1975, according to the Federal Energy Administration's first annual survey of wind energy companies. Production and sales of windmills for pumping water, on the other hand, have remained relatively constant at 2,500 units a year. The electrical power units are used for telephone communications, home appliances, residence heating and electricity for offshore oil rigs. Some state and local incentives have been enacted to encourage the use of wind energy conversion systems. A law in Michigan, for example, exempts wind energy units from sales, use and property taxes until 1986.

RECORD OPERATION . . . The Soviet Union has reported its experimental magneto-hydrodynamic (MHD) powerplant, the "U-25," has operated a record 250 continuous hours at its designed output of 10 megawatts. The operation achieves the goal set for the pilot plant, which will be a key facility in future U.S.-USSR cooperative MHD efforts to extract electricity directly from the burning of fossil fuels. According to Dr. William Jackson, Director of ERDA's Division of MHD, "The U-25 accomplishment is a decisive step toward building commercial-scale MHD powerplants."

SOLAR KNITWEAR PLANT . . . A knitwear manufacturing plant in the new town of Shenandoah, Georgia, will be the nation's first factory to get its electric power, process steam, heating and cooling from solar energy. The proposal for the site was submitted to ERDA by the Georgia Power Co., and was selected from among 17 proposals. The knitwear factory at Shenandoah offers an extremely appropriate test for the solar total-energy concept. Through its requirement for process steam as well as electric power, heating, and cooling, it will permit year-round use of the heat output that might otherwise be wasted during the mild weather of spring and fall. In a plant of this type, hot water or steam is a by-product of the generation of electric power. Construction is scheduled to begin in September 1979 and to be completed by March 1981. Another solar total-energy experimental plant is being designed to serve a barracks, mess hall, and post exchange complex at the Ft. Hood Army base in Killeen, Texas. Construction of this project is scheduled to begin in 1978.

STORE LIGHTING SHOWROOMS . . . Model energy-saving showrooms will be on display in the Dallas Market Center to an estimated 50,000 store dealers expected to attend the Christmas Gift, Jewelry and Housewares Show (July 2-8), the Summer Homefurnishings Market (July 10-15), and the Women's and Children's Midwinter Apparel Market (Aug. 27-Sept. 1). In response to inquiries from retail store buyers asking for information on ways to conserve energy, four showrooms will demonstrate effective energy-saving store lighting.

IMMEDIATE RESULTS . . . American Enka Company, a Division of Axzona, Inc., recently completed the retrofiting of their plants at a cost of $1.5 million. Hosting a recent Energy Efficiency Sharing Workshop in Enka, North Carolina, the firm reported that they expect a yearly energy saving of $2.5 million for the next 15 years. The workshop was sponsored by Commerce's Greensboro District Office and had some 70 attendees.

Domestic Business Report

'Sec Reps' Coordinate Services At Grass Roots

REGIONAL APPOINTEES PROVIDE COHESION TO ACTIVITIES OF VARIED OPERATING UNITS; GIVE LOCALS A VOICE

A dawn flight to address—and listen to—a small-town chamber of commerce breakfast . . . listening to farmers' suggestions on how to improve the local weather reports . . . explaining new economic policies to a luncheon of minority entrepreneurs in a major metropolitan area . . . telling the mayor of a town with chronic high unemployment how several programs can be put together to meet his town's needs . . . calling the local field offices to resolve a conflict in their programs.

These are among the typical daily activities of one of Commerce's newly-installed Secretarial Representatives (SecReps) in each of the ten federal cities.

"They are coordinators and communicators, rather than administrators," according to Anne Wexler, Deputy Under Secretary of Commerce for Regional Affairs.

"They also happen to be an outstanding group of people, and I'm enormously proud that Commerce has been able to recruit them.

"Their major objective is to insure that Commerce's programs are meeting the needs of the states, communities, businesses and the public of their regions." They also sit on the Federal Regional Councils, where they work with representatives of other federal agencies in making sure all the federal programs in their area are coordinated to achieve what they are intended to do.

The SecReps provide an overall cohesion—the big picture, if you will—to the activities of the diverse Commerce operating units within their regions, such as the field offices of the Economic Development Administration, Domestic and International Business Administration, Office of Minority Business Enterprise, and National Oceanic and Atmospheric Administration. These units had often been operating independently of one another, with their own special emphases and their separate constituencies.

Now, through SecReps' coordination efforts, they can apply their resources systematically to their areas' problems.

For instance, both Baltimore and Wilmington are within Federal Region III, which is Philadelphia-based SecRep Frederick A. Ricci's responsibility. Over the past two decades, Baltimore's downtown and waterfront areas have undergone a substantial facelifting, as the city center was practically rebuilt from the ground up.

Now, smaller Wilmington was running into some of the same problems of downtown decay that had earlier plagued Baltimore. Rather than let Wilmington face it alone, Ricci organized a management team of Baltimore city officials and businessmen who had been instrumental in their city's renewal, which

BRIEFING SESSION—*Secretarial Representatives relax as they near the end of week-long recent briefings in Washington. From left: Edward L. Coker (Dallas), Allen Haile (San Francisco), Loren A. Wittner (Chicago), Stephen L. R. McNichols (Denver), Frederick A. Ricci (Philadelphia), Gayle W. Jackson (Kansas City) and Frederick A. Schenck (New York).*

Secretarial Representatives

Region I (Me., Vt., N.H., Mass., Conn., R.I.): Helen M. Keyes, Room E249, John F. Kennedy Federal Bldg., Boston 02203 (617-223-0695).

Region II (N.Y., N.J., Virgin Islands, Puerto Rico): Frederick A. Schenck, Room 1311, Federal Bldg., 26 Federal Plaza, N.Y. 10007 (212-264-5647).

Region III (Pa., Del., Md., W.Va., D.C., Va.): Frederick A. Ricci, Room 10424, William J. Green Federal Bldg., 600 Arch St., Philadelphia 19106 (215-597-7527).

Region IV (Ky., Tenn., Ala., Fla., Ga., N.C., S.C.): Paul Hemmann, Suite 300, 1365 Peachtree St., Atlanta 30309 (404-881-3165).

Region V (Ohio, Ind., Ill., Mich., Wis., Minn.): Loren A. Wittner, Room 1402, CNA Bldg., 55 E. Jackson Blvd., Chicago 60604 (312-353-0340).

Region VI (La., Ark., Okla., N.M., Tex.): Edward L. Coker, Room 9C37, Federal Bldg., 1100 Commerce St., Dallas 75242 (214-749-2891).

Region VII (Mo., Iowa, Neb., Kan.): Gayle W. Jackson, Room 1844, 601 E. 12th St., Kansas City, Mo. 64106 (816-374-3961).

Region VIII (Colo., Utah, Wyo., Mont., N.D., S.D.): Stephen L. R. McNichols, Room 515, Title Bldg., 909 17th St., Denver, 80202 (303-327-4285).

Region IX (Ariz., Nev., Calif., Ha.): Allen Haile, Box 36135, Federal Bldg., 450 Golden Gate Ave., San Francisco 94102 (415-556-5145).

Region X (Idaho, Wash., Ore., Alas.): Leonard Saari, Room 958, Federal Bldg., 915 Second Ave., Seattle 98174 (206-442-5780).

briefed their Wilmington counterparts on how they had handled their problems.

Then, once they had a better appreciation of what was in store for them, Ricci put together a presentation from several Commerce field offices on the specific types of assistance Commerce's various agencies could make work together.

Similarly, the Region II SecRep, Frederick A. Schenck, is playing a major role in helping Lake Placid, N.Y., prepare for the 1980 Winter Olympics, while Region V's Loren A. Wittner has zeroed in on the renewal effort by the Port of Chicago. "How can we best respond to your needs?", is essentially what they're asking.

On a national scale, they have focused on how Commerce can help drought-stricken areas, as well as assist places where pell-mell growth due to "Energy Boom" conditions is making it difficult for local authorities to provide necessary services. They are also working with state and local governments on the White House Conference on Balanced Economic Growth, to assure that each region has an adequate input into its findings.

In traveling through their regions, the SecReps provide a "Commerce presence" where before the Department appeared fragmented, and they provide local interests with *a voice that gets listened to* in Washington. Because each SecRep is the personal representative of the Secretary of Commerce for that particular region . . . checking the operation of all Commerce Department units in the area and making sure that they are cohesive and coordinated, and that local officials and businessmen are aware of what the Department has to offer.

FOOD RETAILERS: FOILING THE WRONG THIEVES?

A just-released Commerce study suggests very strongly that America's food retailers are protecting themselves against the wrong kind of crime. While they are busily burglar-proofing the nation's grocery stores, their workers are happily walking off with many times as much swag as the unemployed thieves and robbers.

Medium-size companies with annual sales of $25 to $100 million bear the brunt of crime in the food retailing industry, losing almost one percent of sales to inventory shrinkage alone, according to Commerce's Bureau of Domestic Commerce.

A BDC survey, designed to determine the magnitude and concentration of crime losses suffered by food retailers (excluding convenience stores), was conducted after earlier studies showed that the cost of crime in food retailing was largely unknown and perhaps underestimated.

Retailers suffering the greatest losses also reported spending the most on security. This suggests that their security effort is not sufficiently directed to the most vulnerable areas, such as inventory shrinkage or bad checks.

The survey also shows that medium and smaller-sized companies do not appear to keep adequate records on crime, which in turn inhibits efficient application of crime prevention procedures. Only slightly more than half the companies surveyed indicated that inventory shrinkage was recorded in sufficient detail to determine whether it was due to employee theft, breakage or shoplifting.

In contrast, three out of four companies keep separate records on burglary and robbery, although inventory shrinkage is far more costly than either.

Seventy-four percent of respondents use alarms and surveillance devices for security. Many medium or smaller-sized firms use these measures exclusively. While their use is partially due to insurance requirements, it also suggests a striking imbalance in their crime prevention programs.

Despite the fact that non-violent crimes are more substantial profit drains, less than one percent of respondents said they use either "honesty shoppers" to check employee theft and carelessness, or that they use techniques to reduce bad checks or shoplifting.

Relatively small losses were ascribed to bad checks because companies reported only those checks that were ultimately written off, and did not show costs of collection, which can be substantial.

The survey covered 70 major supermarket chains, each having over $100 million in annual sales and 66 chain-operated and independent supermarkets divided between those with annual sales of $25 to $100 million and those with annual sales under $25 million.

Another report to be released later this summer will show the dollar cost of crime to the industry and its apparent impact on consumer prices, and will include an analysis of the crime problem.

Further information is available from Sharon Roach, Room 1104, U.S. Department of Commerce, Washington, D.C. 20230, (202-377-4697).

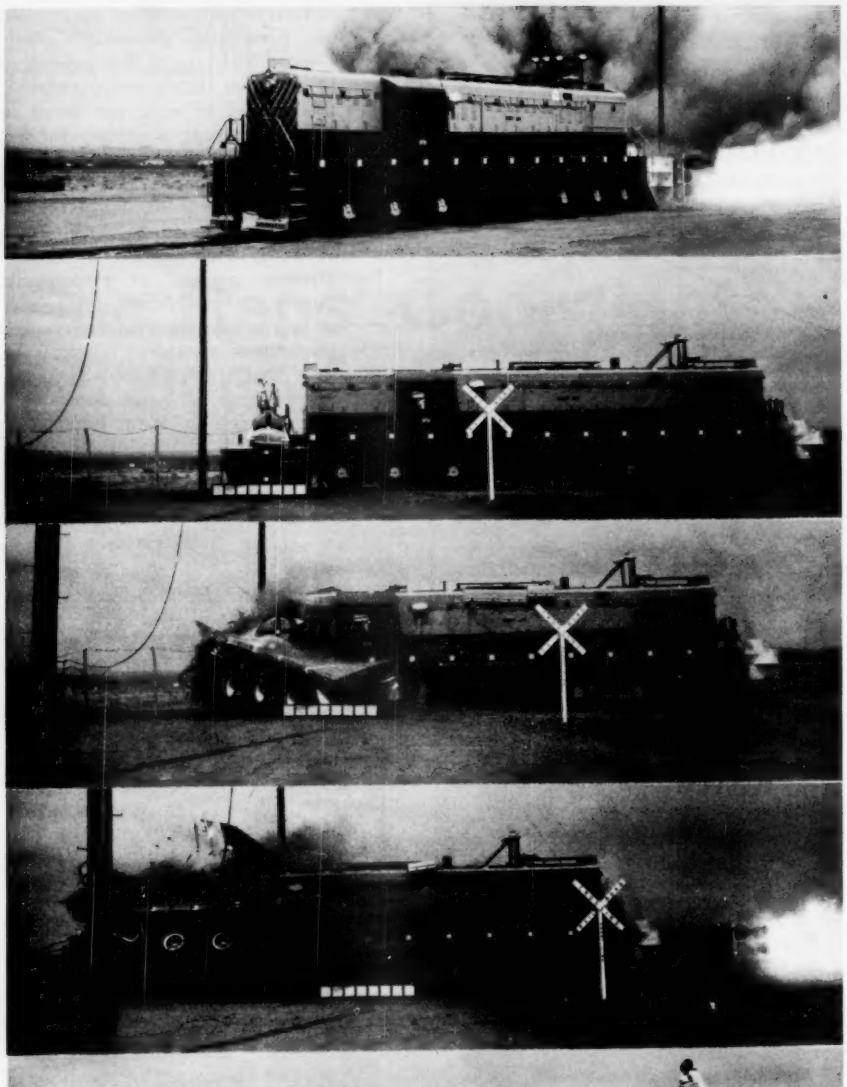
The study's major findings are presented in the accompanying table as percentages of net sales for each crime-related item. Ratios for the adjusted average cost and the actual range of crime-related costs are given for each sales volume category, as well as for the total of all companies reporting.

The survey was developed with the cooperation of the National Association of Food Chains and Supermarket Institute, the National Association of Retail Grocers of the U.S., key trade publications, and major supermarket and grocery stores operating nationwide.

Average crime-related costs of food industry firms

(As a % of net sales)

Annual sales	Inventory shrinkage	Bad checks	Robbery	Burglary	Cash shortage	Protective service cost	Crime insurance	Total crime costs
Under $25 million	**.290**	.045	.007	.019	.024	.051	.025	**.461**
$25-$100 million	**.961**	.060	.014	.005	.015	.149	.024	**1.228**
Over $100 million	**.766**	.057	.008	.003	.020	.109	.010	**.973**
Industry-wide	**.673**	.054	.010	.009	.019	.103	.019	**.887**



MOVEABLE, BUT UNBREAKABLE, OBJECT—*A rocket-propelled locomotive turned out to be a surprisingly resistible force recently when it had the misfortune of plowing into a nuclear fuel shipping cask at 81.5 miles-per-hour. The 28-ton cask, designed by the Energy Research and Development Administration, suffered minor surface dents when it was knocked into the air by the impact. But the locomotive was another story. Its front end was crushed in the collision, which was designed to test how well containers used to transport nuclear materials can withstand severe accidents. And the trailer on which the cask had been sitting was bent around the locomotive into a U-shape. In earlier tests, a cask mounted on a tractor trailer was slammed into a concrete wall at 61 and 84 m.p.h., without producing any leakage. A final test in this series has been scheduled to take place this fall or winter. In the sequence shown above, the locomotive builds up speed, makes contact with the trailer, plows into the trailer with rockets still burning as the cask breaks loose (X mark at left of telephone pole in fourth photo), and comes to rest a shattered wreck amidst the equally battered trailer, while the cask has bounced off-camera and is resting some 20 feet away, its integrity undisturbed by the commotion.*

Law Of The Sea Institute Moving To Hawaii

The U.S. Law Of The Sea Institute is shifting oceans, but the program will remain the same.

A $22,500 Sea Grant to the University of Hawaii will help finance the establishment there of the Law of the Sea Institute, formerly at the University of Rhode Island. The funds from the Department of Commerce's National Oceanic and Atmospheric Administration will be augmented by $17,111 in university funds.

The Institute, at Rhode Island since 1966, is being relocated because of a shift in emphasis from international to domestic issues involving the sea at the New England institution.

The Law of the Sea Institute conducts international meetings and conferences, publishes studies and monographs, and serves as a data bank and information center for those interested in legal and policy problems concerning the sea.

The primary focus of the Institute, as it has been at Rhode Island, will be on international aspects of law, utilization, and management of the ocean.

It will also produce materials which can be used by professors and students in class, by attorneys in advising corporate clients on ocean development, by government officials in establishing policy, and by national delegations to Law of the Sea conferences which will be debating terms of a new treaty.

Color TV Imports Jump 55% To Record Levels

Imports of color TV sets in the first quarter of 1977 established new record highs both in value and numbers, the Commerce Department reported. In the first 1977 quarter, 605,000 units were imported, a gain of 42.4 percent over the first 1976 quarter. The bulk of the increase came from Japan.

First quarter imports of audio and video products also set new records. Imports of these products, including transceivers and video tape equipment, totaled $861 million in the first 1977 quarter, up 32 percent from the first 1976 quarter.

The proportion of the total represented by different products was: tape recorders, 26 percent; transceivers, predominantly citizens' band radios, 21 percent; home radios, 15 percent; color television sets, 13.5 percent.

In the color TV imports, table models of the 19-inch-and-over screen sizes accounted for nearly 54 percent of all units. However, gains were shown in all screen sizes except the 11 and 12-inch sets.

In addition to the complete color sets, 214,000 unfinished or unassembled color sets were imported, of which 181,000 came from Mexico.

NATIONAL PUBLIC WORKS PROJECTS IN 10,000 AREAS GET SPECIFIC ALLOCATIONS

Local public works officials now know how much federal money will be available for projects to be undertaken through the recently-enacted $4 billion program.

Secretary of Commerce Juanita M. Kreps has announced planning allocations of funds for more than 10,000 eligible areas and applicants.

This is the first step in the program that is a major part of President Carter's economic stimulus package, and will create private jobs in areas of high unemployment through the construction of needed public facilities. The first project approvals will begin late this month.

The planning targets represent a further breakdown of state allocations announced in the May 23 issue of *Commerce America*.

The Secretary emphasized that at least 10 percent of each grant under the program goes to minority businesses. "As a result of the comprehensive procedures devised to carry out this mandate, I am confident that minority business enterprise will benefit significantly from this program," she said.

"The local decision-making facilitated by today's allocations is a key component of a new approach designed by the Commerce Department to produce a more equitable and predictable distribution of public works funds," Mrs. Kreps said.

"Other elements of the new procedure include targeting funds to areas of greatest unemployment, advising applicants in advance of what they can expect under the program, reducing previous funding inequities among different areas and types of applicants, and decreasing the administrative workload for both applicants and the Federal Government."

Commerce is considering an earlier $2-billion round of the Local Public Works program and the $4-billion just allocated as a single program for purposes of establishing planning targets. Thus, funds approved under the first round were subtracted from an area's total under a $6-billion program in arriving at the planning targets.

The job-creating program, which will be administered by Commerce's Economic Development Administration, provides grants for 100 percent of the cost of local facilities such as public buildings, water and sewer lines, industrial sites, and roads. Mrs. Kreps said that emphasis will be placed on accelerating project starts to begin during the current construction season. In every case, construction must be under way within 90 days of project approval.

"As President Carter indicated when he approved the Public Works Legislation last month, this program combines job creation with the provision of useful public facilities in areas suffering from the prolonged recession and eroded tax bases," Mrs. Kreps said. She added that the needed facilities will be a legacy to future generations and in many cases serve as foundations for community development.

Resubmission and application forms for the program are being distributed to areas and applicants that received planning allocations. Applicants will complete these forms and submit them to EDA's six regional offices as soon as possible.

Detailed planning targets by state, are available upon request from EDA's Office of Public Affairs, (202-377-5113).

Minority Participation Assured

An agreement calling for a major national effort to insure minority business participation in the program provided for by the $4 billion Public Works Law of 1977 has been announced by Secretary Kreps.

Two Commerce agencies, the Office of Minority Business Enterprise (OMBE) and the Economic Development Administration (EDA), will identify and assist minority firms in participating in the program, which provides that at least $400 million, or 10 percent of the total, shall be expended for minority enterprise.

OMBE will aid the EDA, which will manage the program, in publicizing the public works funding plan in minority communities through its national network of non-profit, community-based minority business development organizations. OMBE and EDA will bring minority-owned firms together with EDA public works grantees.

"This agreement," Secretary Kreps said, "represents President Carter's commitment to make the Federal Government more responsive to the needs of the American people. We have now put into legislation our guarantee to have minority businessmen and workers share in the benefits of government programs."

FIRST FEDERAL FUNDS FLOW TO DROUGHT AREAS IN NORTHERN CALIFORNIA

Almost $12 million in federal funds will provide drought relief programs for three hard-hit areas of northern California.

The projects are the first approved under the Community Emergency Drought Relief Act signed into law May 23. They combine financing for the purchase of water with conservation and capital improvements to assure adequate future water supplies.

Commerce Secretary Juanita M. Kreps said the actions demonstrate the ability of the Federal Government to respond quickly and effectively to conditions threatening health, safety, and economic stability. The projects are funded by Commerce's Economic Development Administration, which has designated 16 field offices to administer the special drought program.

Many other drought relief projects, Secretary Kreps noted, will be awarded before the emergency program terminates September 30.

The projects are:

- A $5,560,000 loan and a $1,387,000 grant to the Marin Municipal Water District to help defray the cost of a pipeline installation on the Richmond-San Rafael bridge and to buy 3.4 billion gallons of Colorado River water formerly assigned to Southern California to provide water needs through 1978. The pipeline will carry up to ten million gallons daily.

The EDA funds will also enable the District to develop wells in the Mount Tamalpais headlands, provide pumps and barges at the Alpine and Phoenix reservoirs, and administer a water conservation program in an area where users have been forced to reduce per capita consumption by 71 percent during the last year.

- A $2,306,000 loan and a $2,406,000 grant to the El Dorado Irrigation District at Placerville. This program will provide additional water for domestic use to assure fire protection to the El Dorado National Forest and to supply orchards, vineyards and cattle pasturelands.

The project will be accomplished by financing the purchase of water from the Pacific Gas and Electric Company, water distribution system improvements, water storage facility improvements, and the installation of a tunnel pipeline at Jenkinson Lake.

- An $85,000 loan and an $85,000 grant to the Placer County Water Agency at Auburn for an emergency program to supply water for domestic uses. The program is necessary to draw water from the American River where the flow is below existing intake structures.

New pumps to draw the water have been provided by the U.S. Bureau of Reclamation and the EDA funds will purchase electricity for their operation. A conservation program in the county has reduced the per capita daily consumption of water to 50 gallons.

The loans are repayable in 40 years at annual interest rates of five percent.

FRIENDLY PERSUADERS—*Shown receiving awards for their participation in the fifth annual Business Management Fellowship Program are Ray Hamilton of the New England Patriots, who is accepting a Commerce Department certificate of appreciation from Asst. Secretary of Commerce Elsa A. Porter in picture at left, and Zeke Moore of the Houston Oilers, who received his commendation from William G. Murphy, who heads the National Alliance of Businessmen.*

NFL Ballplayers Match Another 1,000 Top Students With Meaningful Jobs

Once the Super Bowl is out of the way each year, a select team of National Football League players begins its own special draft; the selection of high-potential college-bound managerial talent for jobs with many of the country's leading firms.

In cooperation with the National Alliance of Businessmen and the Commerce Department, the players first spend several months scouting up summer job openings with firms in their areas. Then they recruit promising high school seniors from disadvantaged backgrounds to fill them.

Although late returns are still coming in, this year's Business Management Fellowship Program is expected to top its goal of placing 1,000 graduating seniors in jobs with a future.

This is the fifth consecutive year Commerce has operated the program aimed at preparing superior minority students for management careers in business and industry. To be eligible for participation, students must be in the top 10 percent of their high school graduating classes, plan to attend college and major in an area useful to the employer, and have financial need.

The program was started in 1973 by Commerce's Office of Minority Business Enterprise (OMBE), and through 1976 it had netted 3,200 job slots for talented students at hundreds of U.S. companies.

The NAB provides the players with much-needed office space and secretarial help in each city, as well as providing a contact point for the students after the footballers have gone back to their teams. This business group is a nationwide volunteer organization of more than 70,000 firms, set up in 1968 to cooperate with government and labor to secure jobs and training in the private sector for needy youngsters, Vietnam veterans, and ex-offenders. This is the third year that NAB has taken part in the program.

Perhaps the greatest beneficiaries under the program are the firms themselves, who have the cream of the high school crop presented to them at a time when they can strongly influence their career development.

The 1977 Lineup

National Football League players taking part in the 1977 Business Management Fellowship Program; they each worked in the city whose team they play for, except as indicated in parentheses:

Mack Alston, Houston Oilers (Washington, D.C.)
Autry Beamon, Minnesota Vikings
Robert Bell, St. Louis Cardinals (Philadelphia)
Greg Collins, Seattle Seahawks
Neil Craig, St. Louis Cardinals (Cincinnati)
Doug Dieken, Cleveland Browns
Frank Grant, Washington Redskins
Ray Hamilton, New England Patriots
Noah Jackson, Chicago Bears
Ray Jarvis, Detroit Lions
Ron Jessie, Los Angeles Rams
Zeke Moore, Houston Oilers
Bob Pollard, New Orleans Saints
John Skorupan, Buffalo Bills
Jon Staggers, ex-Detroit Lion (Oakland)
Emmitt Thomas, Kansas City Chiefs
James T. Thomas, Pittsburgh Steelers
Bill Thompson, Denver Broncos
Mark Washington, Dallas Cowboys
Doug Wilkerson, San Diego Chargers

TOTAL SOLAR ENERGY SYSTEM IS FOR SMALL COMMERCIAL PLANTS

Step by step, solar energy is moving away from exclusive use in residential applications into commercial and industrial use.

Now, at Sandia Laboratories in Albuquerque, N.M., the nation's first experimental solar thermal energy plant is producing enough electricity for a 12,000-square-foot office building—the equivalent of six houses. After making its 32 kilowatts of electricity, the plant uses leftover thermal energy to provide space heating, air conditioning and hot water.

Because of its size, the Sandia system is not suitable for single-family houses. But it is considered a prototype for small plants which could provide electricity to shopping centers, industrial parks, town house complexes and large apartment and office buildings.

Almost all the plant's components are specially built and there are no stock replacement parts. One of the major purposes of the Sandia prototype is to discover how a standard total solar energy system can be constructed economically.

Still only a backup

If successful, the solar generating plant would only supplement current power generating facilities, because extended periods of cloudiness will require switching to electricity from conventional power plants. To date, it is uneconomical to design a solar system which stores more energy than is needed for overnight use.

The eventual goal is to develop a versatile system based on standard equipment which can supply up to 60 percent of the total energy needs of residential, commercial and industrial complexes.

MANUFACTURING FIRMS LEAD EXPECTED UPSWING IN CAPITAL SPENDING

Business spending for new plant and equipment, a key element in any economic upswing, may increase this year at a quicker pace than expected earlier.

Business plans capital spending of $135.3 billion during 1977, 12.3 percent more than in 1976, according to a survey conducted in late April and May by Commerce's Bureau of Economic Analysis. Spending in 1976 was $120.5 billion, a 6.8-percent rise over 1975. The planned spending increase for 1977 revealed in the recent survey is 0.6 percentage points higher than the 11.7 percent reported in March.

The survey results have not been adjusted for price change. Capital goods prices rose 4.6 percent in 1976. If the latest spending plans reflect a similar increase in prices this year, an increase in real spending of about 7½ percent for 1977 is indicated.

Rises get smaller

Actual outlays in the first quarter of 1977 rose 4.0 percent from the fourth quarter of 1976, to a seasonally adjusted annual rate of $130.2 billion. Plans call for a 3.3-percent rise in the second quarter and for smaller rises in the second half: 1.8 percent in the third quarter and 1.6 percent in the fourth.

The upward revision in 1977 spending programs centers chiefly in manufacturing industries. Actual expenditures in the first quarter were about $1 billion (annual rate) higher than expected three months earlier and second quarter plans were raised about $1.8 billion.

Manufacturers raised their spending plans for the year 1½ percent between the two surveys. The largest increases were in motor vehicles, electrical machinery, petroleum, and primary metals, which more than offset reductions in food-beverage, paper and non-electrical machinery.

In non-manufacturing, upward revisions by railroads, airlines, gas utilities, and mining firms were offset by reductions for the electricity utility and commercial groups.

Industry programs

Manufacturing industries plan a 14-percent increase in capital spending in 1977. The increase is 16 percent for durable goods, with strong advances for motor vehicles (50 percent), "other durables" (20 percent), electrical machinery (19 percent), and nonelectrical machinery (15 percent).

Non-durables plan a 13-percent increase, reflecting large gains for rubber (30 percent) and petroleum (18 percent).

Other manufacturing industries report smaller increases, with the exception of iron and steel, where a 1½-percent decline is expected.

Non-manufacturing plans an 11-percent increase, reflecting sizable increases by airlines (34 percent), gas utilities (26 percent), electric utilities (16 percent), and communications firms (15 percent). Mining and commercial firms expect smaller increases (10 and 8 percent, respectively) and "other transportation" firms expect a sharp decline (34 percent).

Manufacturers started new investment projects totaling $15.3 billion during the first quarter of 1977, 18 percent above the fourth quarter of 1976. Starts rose 22 percent for durable goods industries and 15 percent for non-durables. Large increases were reported by transportation equipment, non-electrical machinery, chemicals, and petroleum. Sizable decreases were reported by food-beverage and electrical machinery.

New projects started by manufacturers exceeded their capital expenditures in the first quarter of 1977, resulting in an increase in carryover—the amount still to be spent on plant and equipment projects. Carryover at the end of March totaled $38.4 billion, up from $37.2 billion at the end of December.

The survey's basic data were derived from reports submitted by a large sample of companies, unincorporated as well as corporate, to the Bureau of Economic Analysis. Transportation companies report to the Interstate Commerce Commission.

The estimates presented are projected totals of expenditures for new plant and equipment in the United States based on the sample data. They are compiled from reports on a company basis and not from separate reports for plants or establishments. A company's entire capital expenditures are assigned to a single industry in accordance with the industry classification of the company's principal products.

Additional data will appear in the June issue of the *Survey of Current Business*, published monthly by the Bureau of Economic Analysis.

Report Details Specialty Steel Industry's Status

Commerce has released the fourth in a series of quarterly reports on conditions in the U.S. specialty steel industry while import relief is in effect.

The report highlights data showing the amount of specialty steel imported into the U.S. in relation to the total amount consumed. The data is tabulated by the Industrial Products Division of the Department's Office of Import Programs, in accordance with Presidential action limiting specialty steel imports.

The import relief may be relaxed or removed at any time prior to the end of the three-year period which began June 14, 1976, if the President finds, upon advice of the U.S. International Trade Commission (USITC) and the Secretaries of Commerce and Labor, that the domestic specialty steel industry is regaining a healthy production and employment position.

In order to review the effectiveness of the restraint program and the industry's economic condition, a monitoring system was initiated to provide pertinent data on a current basis. The report includes data on shipments, imports, exports, consumption, and the ratio of imports to consumption by calendar quarters in 1974, 1975, 1976, and 1977.

The data on producers' shipments were gathered originally by the USITC on the basis of responses to questionnaires. The import and export computations are official data assembled by Commerce's Bureau of the Census.

Specialty steels are characterized by exceptional strength and hardness and by their resistance to rust, heat, and abrasion. These materials are used extensively by industry in the manufacture of automobiles, appliances, aircraft engines, tools, and storage tanks, as well as other applications.

For copies of the report, contact the Industrial Products Division, Office of Import Programs, Room 6889, U.S. Department of Commerce, Washington, D.C. 20230.

Study Of Solid Waste Advocates Resource Recovery

Until recently, incineration had been considered an expensive alternative to landfilling for disposal of municipal solid waste. However, today, thermal processes such as incineration, pyrolysis and combined refuse/fossil fuel combustion can be considered competitive according to *Municipal-Scale Thermal Processing of Solid Wastes*, a report from Recon Systems, Inc., of Princeton, N.J., issued by the Environmental Protection Agency.

The author, Dr. Norman J. Weinstein, points out that the improved competitive position is due to two factors: first, the increased cost of landfilling performed in an environmentally sound manner; and second, the increased value of energy, metals and glass which can be extracted from municipal solid waste.

The report, priced at $10.50, is available from the National Technical Information Service, 5285 Port Royal Rd., Springfield, Va. 22161 (Publication number PB-263-396/CZ).

PUBLIC DEBT ONCE AGAIN ADVANCED FASTER THAN PRIVATE DEBT IN 1976

For the second consecutive year, and for only the second time since World War II, public debt in 1976 increased more rapidly than private debt, due primarily to the rise in the federal debt.

However, analysts with Commerce's Bureau of Economic Analysis feel that this is no cause for concern, as the relationship between the relative growth of public and private debt in this country has shifted several times in the past.

For many years before the end of World War II, public debt increased faster than private debt. For example, in 1930 net public debt was 16 percent of the total. It rose to 32.2 percent by 1940 and to 49.3 percent by 1950. However, after 1945 a decline set in with the result that public debt was 35.2 percent of the total in 1960, 25.9 percent in 1970, and 23.2 percent in 1974. Since 1974, it has advanced to 24.8 percent.

The Federal Government share of the total debt was 44.7 percent in 1950, 27.4 percent in 1960, and 12.9 percent in 1974. It has since advanced to 15.4 percent at the end of 1976.

Net public and private debt rose to $3,354.9 billion in current dollars at the end of 1976, according to Commerce's Bureau of Economic Analysis. This compared with $3,028.8 billion at the end of 1975, a gain of 10.8 percent in 1976, up from 8.4 percent in 1975.

Net debt of the Federal Government, federally-sponsored credit agencies, and state and local governments totaled $833.4 billion in current dollars at the end of 1976, compared with $747.8 billion a year earlier. Net public debt increased 11.5 percent in 1976, a drop from the 15.3 percent growth recorded in 1975.

The net debt of the Federal Government, which accounts for three-fifths of the public debt, increased 15.6 percent in current dollars in 1976, a decline from the 23.7 percent in 1975. The rise in 1975 was the highest since 1945, and that in 1976 the second highest. The net debt of federally-sponsored credit agencies in current dollars was $81.4 billion at the end of 1976, a gain of 3.2 percent.

The net debt of the Federal Government was $515.8 billion in current dollars at the end of 1976, compared with $446.3 billion at the end of 1975. At the end of 1966, the net debt of the Federal Government was $271.8 billion in current dollars. The increase in the 10-year period was nearly 90 percent in current dollars, which of course are not adjusted to account for the effects of inflation.

The net debt of state and local governments totaled $236.3 billion in current dollars at the end of 1976, an increase of 6.1 percent for the year. The increase in state and local debt would have been 7.5 percent if state and local governments had not increased holdings of their own obligations in both general and retirement funds.

From 1961 to 1974, state and local governments reduced their holdings of their own securities. However, in 1975 and 1976 intragovernmental holdings increased sharply, primarily because of the financial difficulties of New York City.

Net private debt was $2,521.5 billion in current dollars at the end of 1976 compared with $2,281 billion a year earlier. This was an increase of 10.5 percent in the year, up from 6.3 percent in 1975.

Corporate debt, which accounts for almost three-fifths of private debt, increased 10 percent in 1976, almost double the rise in 1975. Short-term corporate debt increased faster than long-term debt. In 1975, most of the advance was in long-term debt.

Unincorporated business and farm debt increased 10 percent in 1976. Consumer credit, following relatively slow growth in 1974 and 1975, rose 10.4 percent to $217.8 billion. Mortgage debt on one-to-four family nonfarm homes totaled $546.8 billion in current dollars at the end of 1976, an increase of 12.5 percent. The 1976 increase was about the same as the early 1970s, but larger than 1974-75.

New Voluntary Labeling Program Open To All Firms In Consumer Product Field

An experimental voluntary consumer product labeling program by manufacturers to aid consumers in their purchase decisions will begin June 24.

Participation in the Commerce program will be open to any manufacturer, assembler, private brand labeler of consumers products, or importer of consumer products for resale.

Data on labels will help consumers make informed choices by providing performance characteristics of the products in easily comprehensible language at the point of sale. Each label will have a distinctive Department of Commerce mark.

The program was first put forth in a *Federal Register* notice on May 25, 1976, and was followed by three public hearings on the proposal.

A second notice, exactly one year later, contained detailed information and final procedures to be followed in carrying out the program. Under these procedures, any person may request the Secretary of Commerce to find that a need exists to label a particular consumer product with one or more of its specific performance characteristics.

UN Stamp Commemorates Worldwide Protection Of Intellectual Property

A newly-issued United Nations stamp honors the World Intellectual Property Organization, which does for worldwide business what Commerce's Patent and Trademark Office does for domestic firms.

The Geneva-based organization, which is a specialized agency of the UN, administers various treaties relating to patents, trademarks and copyrights.

WIPO was founded in 1970 and is primarily responsible for promoting the protection of intellectual property throughout the world.

Intellectual property is made up of two main branches:

Industrial property—dealing principally with the protection of—

Inventions, which are novel ideas that can be applied to industry;

Trademarks, which are signs distinguishing goods of an industrial or commercial enterprise; and

Industrial designs, which are, generally speaking, the ornamentation of a useful article.

Copyright—concerned chiefly with—

Literary works, such as novels, short stories, poems and dramas;

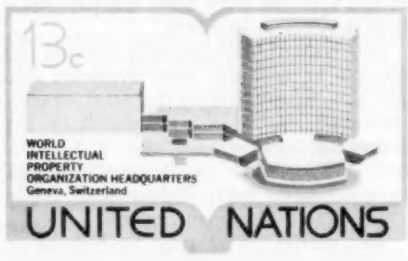
Musical works, such as songs, choruses, operas, musicals, operettas and instrumental compositions;

Artistic works, such as drawings, paintings, etchings, lithographs, sculptures and architecture;

Maps and technical drawings;

Photographic works, whether portraits, landscapes or current events; and

Motion pictures (cinematography), whether silent or with sound, such as dramas, documentaries, newsreels and cartoons.



WORLDWIDE PROTECTION — *Specialized UN agency's recently completed headquarters building in Geneva is featured on new stamp.*

Denominations of the stamp are 13¢, 31¢, and .80 Swiss Francs. They can be used only at designated UN postal drops.

HURRICANE FORECASTERS ISSUE STARK WARNING

Despite the use of advanced hurricane forecasting tools like satellites, aerial reconnaissance, computers and near-shore radar, Commerce's U.S. Weather Service is having more trouble than ever giving people enough warning to leave the hazard area in time.

The reason is that the population in certain hurricane-vulnerable coastal areas has increased beyond the ability of hurricane forecasters to provide early enough warning to enable all those in danger to drive to safety over existing escape routes. In some areas along the Gulf and Atlantic coasts, the population has increased by more than 40 percent during the last 15 years. Some 80 percent of those people—28 million out of more than 37 million—have never experienced a major hurricane.

"Our goal traditionally has been to provide 12 daylight hours of warning time of an approaching hurricane, or, enough time for people to drive to places of safety from an advancing storm surge, the real killer in hurricanes," says Dr. Neil Frank, director of the National Hurricane Center in Miami. "As things stand now, there are certain crowded coastal areas where there is doubt we can do this, in spite of technological advances."

Hurricane season officially began June 1, and lasts through November. Peak months are August, September and October.

Each year, Commerce's National Oceanic and Atmospheric Administration (NOAA)—parent agency of the National Weather Service—warns coastal populations from Texas to Maine well before the months of maximum activity.

"Hurricane Belle, which struck Long Island and New England last August, was typical of the kind of storm that worries us most," according to Frank. "It lost strength just before making landfall, dropping from a disaster-potential of 3 down to 1, on our scale of 1 to 5. Thus we fear now that many of the residents who experienced that storm will ignore our warnings next time, thinking they understand hurricanes, and that our warnings are not to be taken seriously."

Frank lists several hurricane-vulnerable communities of special concern because they have heavily concentrated populations during the hurricane season, and limited escape routes. Among them: New Orleans, the Florida Keys and the southern New Jersey shore. Others that he says are reaching a critical stage include the Tampa Bay area, Amelia Island off the Jacksonville, Fla., coast and Galveston, Tex., where 6,000 people lost their lives in a 1900 storm.

On an average, two storms affect the U.S. coastline annually, although the totals vary greatly from one year to the next. Damaging winds from a hurricane may extend 25 to 100 miles or so on either side of the eye, a fact frequently overlooked by those who assume the central point of landfall is the only point of concern. Because of this, warnings usually are issued for about 300 miles of coastal area, and also because a hurricane may veer one way or another in the last few miles before striking the coast.

About nine out of ten hurricane deaths are drownings in the storm surge, rather than wind-caused fatalities. Thus in some instances, people have evacuated many miles inland, fearing the wind, when moving a few hundred yards to a high elevation would have been sufficient.

This year, as last, the hurricane detection and tracking network will include a NOAA geostationary satellite observing hurricanes forming in the Atlantic, the Caribbean, and the Gulf of Mexico, and a similar spacecraft poised over the Pacific. These provide images of almost the entire disk of the globe every 30 minutes day and night. In addition, polar-orbiting NOAA satellites provide detailed images of a given location twice a day.

Aircraft reconnaissance will be provided by a dozen planes operating from Keesler Air Force Base in Mississippi. A NOAA hurricane research aircraft also will be in operation.

A picket line of coastal radars will pick up hurricanes as they approach within 250 miles (400 kilometers) of the coast. When a hurricane is within striking distance, a computerized prediction of the height of the storm surge will be made.

Residents and vacationers in areas which are vulnerable to hurricanes should contact local public-safety officials or the nearest Weather Service office—before any storm approaches—for information on what to do in case of hurricane warnings and on where storm-evacuation routes are. Further information can also be obtained from Herbert S. Lieb, Chief, Disaster Preparedness Staff, National Weather Service, Silver Spring, Md. 20910.

SST Si! Fluorocarbons No! Says Ozone Researcher

Supersonic aircraft may pose less of a threat to the earth's ozone layer than has been thought, but aerosol sprays may be more destructive, according to a National Oceanic and Atmospheric Administration scientist.

Dr. Carleton J. Howard, working with Dr. Kenneth M. Evenson of the National Bureau of Standards, has made the first direct measurements of a chemical reaction that occurs in the atmosphere and is critical to ozone chemistry.

The two Commerce Department researchers found that the chemical reaction between nitric oxide and a molecule called the hydroperoxyl radical occurs more rapidly—10 to 40 times faster—than had been previously estimated. This new measurement, says Howard, has a profound effect on estimates of the importance of other, ozone-destroying, reactions in the atmosphere.

When Howard and Evenson's new measurements were used in a computer model of atmospheric chemistry, they obtained drastically changed predictions of ozone depletion by manmade chemicals; high-flying aircraft will destroy only about half as much ozone as previously believed, but that fluorocarbons could destroy 35 percent more than previously believed.

When the new reaction rate for the hydroperoxyl radical was inserted into a computer model, it set off a chain of effects, significantly altering the calculated concentration of certain important trace constituents in the stratosphere.

The magnitude of the effect high-altitude planes have on the stratospheric ozone layer varies with altitude. In the lower levels, heights of about 43,000 feet (13 kilometers), where previous calculations predicted that aircraft would cause a slight depletion of ozone, the new results show no depletion. Higher up, between 49,000 and 56.000 feet (15 and 17 kilometers) altitude, where the Concorde flies, the calculated ozone reduction with the new reaction rate is about 50 to 60 percent less than before.

In the light of these new measurements, other scientists are predicting that low-altitude subsonic planes may actually produce small amounts of ozone.

Model results for fluorocarbons using the new rate constant show that the chlorine-containing compounds would destroy about 35 percent more ozone than previously estimated.

Recruiter Directory Details 1,100 Firms

Business executives seeking either a new employer or a new employee may find some leads in the *Directory of Executive Recruiters*, recently published in its eighth edition. The Directory lists more than 1,100 search firms in the United States and Canada, as well as employment agencies operating on a fee-paid or contingency basis.

The book has a geographical index, indicates overseas locations, and cross-indexes the firms by 102 specialties.

The 184-page paperback book is available, priced at $10, from Consultants News, 17 Templeton Rd., Fitzwilliam, N.H. 03447.

Three-Year Effort Will Improve Use Of Government Generated Statistics

A three-year research and training program will help to close the knowledge gap between producers and consumers of government-generated statistical data.

The National Science Foundation (NSF) is a co-sponsor of the $2.6 million project designed to introduce senior social scientists as well as graduate students to a wide range of research and training opportunities by working in the setting of Commerce's Bureau of the Census. NSF has agreed to provide a $1,045,866 grant to help finance the project, and Census will provide the rest.

The project to develop a program of research at the forefront of statistical techniques applied to the social sciences and to specialists in statistics, economics, demography and related areas by exposing them to real-world statistical problems encountered in a large data collection agency. The Census Bureau is the Federal Government's major general purpose statistical agency.

Under the program's format, two research fellows and two research assistants will be assigned to the project in cooperation with the American Statistical Association (ASA) for the first year, followed by at least three of each in the second and third years.

The research topics for the first year will deal with seasonal and other related adjustments of economic time series, and the editing of computer-produced research.

The first project will concentrate on problems that arise because none of the methods of adjusting for seasonal variation in economic data series have yet been developed to the point of solving all the problems inherent in real world data. Adjusting for trading days, holidays, abrupt seasonal changes, strikes, price changes, and, recently, rebates, may be considered.

The second project will attempt to evaluate how well the editing of data from large-scale surveys is being done. A variety of computer edit programs are used at present, but no attempt has been made to learn how well present edits work in relation to an ideal edit or to find alternatives to systems now used.

As noted in the proposal to NSF prepared jointly by ASA and the Bureau, "The interaction of research fellows with Census staff specialists will help narrow the knowledge gap between the producers and consumers of data and will, hopefully, contribute to a more informed decision-making process on statistical program priorities.

"The Census Bureau will be better able to understand and satisfy the demand for its product," the proposal document added. "This is particularly important since the available supply of data also generates its own demand and uses, which may be in the form of legislation or as inputs to national economic policy decisions."

Depending upon its success, the three-year program's life could be extended.

Financial Managers Get Cost Cutting Tips

The *Financial Manager's Handbook* outlines 100 management controls that help cut operating costs, build company profits and ensure financial soundness. Step-by-step descriptions include mathematical techniques for forecasting, budgeting, performance evaluation and planning capital investments.

Dozens of ready-to-use charts, forms, checklists and tables assist in handling such company functions as inventory control, scientific forecasting, direct cost reduction, and internal audits and controls. The book's author is J. H. Hennessy, Jr., an international financial consultant.

Priced at $29.95, the Handbook is available from Prentice Hall, Englewood Cliffs, N.J. 07632 (201-592-2489).

New NBS Power Meter Available For Licensing

Interested manufacturers can now obtain a license and design package to produce a new RF power meter recently developed and patented by Commerce's National Bureau of Standards (NBS).

The meter, designated NBS Type IV RF Power Meter, is an improvement over NBS Type II RF Power Meter that has been produced commercially since a similar package for it was offered in 1971.

The Type IV meter retains the accuracy characteristics of the self-balancing bridge portion of the Type II in a smaller package and at about one-third the cost. It was designed specifically for use in automated measurement systems in which as many as ten power meters would be under the control of a computer, and would share the single digital voltmeter and digital-to-analog converter.

This is in contrast to the Type II, a manually-operated system, in which every power meter assembly usually included a "reference voltage generator" module.

Further information on the NBS Type IV RF Power Meter is available from Neil T. Larsen, the NBS physicist who developed it, at the Electromagnetics Division, NBS, Boulder, CO 80302, (303-499-1000, ext. 3711 or 3131).

Calendar Of Business Events

June 21-22—Clemson, S.C.—Productivity Improvement Seminar, Clemson University. Contact: Dr. Ralph Elliott, 112 Sirrine Hall, Clemson U., Clemson, S.C. 29631.

June 24 — Raleigh, N.C. — Federal Procurement Conference, Royal Villa Convention Ctr. Sponsor: Sen. Robert Morgan. Contact: Jean Joyner, c/o Sen. Morgan, P.O. Box 2719, Century Post Office, Raleigh, N.C. 27602 (919-755-4236).

June 27-July 1—Chicago—Hazard Prevention Symposium, Institute of Gas Technology. Contact: Kathy Fisher, IGT, IIT Ctr., 3424 S. State St., Chicago, Ill. 60616 (312-567-3881).

June 27 —San Francisco — Energy Mgt. Systems Seminar, Palace Hotel. Sponsor: Metropolitan Assn. of Urban Designers. Contact: MAUDEP, P.O. Box 722, Church St. Station, New York 10008.

July 2-8—Dallas—Christmas Gift Jewelry & Housewares Show, Dallas Market Ctr. Contact: Delores Lehr, Vice Pres., Dallas Market Ctr., 2100 Stemmons Freeway, Dallas, Tex. 75207 (212-748-6832).

July 6-8 — New York — Fundamentals of Data Processing for the Non-Data Processing Executive, American Mgt. Assns. Contact: AMA, 135 W. 50th St., New York 10020 (212-586-8100).

July 7-10—Lancaster, Pa.—Annual Conference, Society of Plastics Industry Expandable Polystyrene Div., Host Corral. Contact: SPI, 355 Lexington Ave., N.Y. 10017 (212-573-9400).

July 12-15—Los Angeles—Digital Image Processing Short Courses, USC Image Processing Institute. Contact: Enrollment Sec'y Integrated Computer Systems, Inc., 4445 Overland Ave., Culver City, Calif. 90230 (213-559-9268).

July 15—King of Prussia, Pa.—Federal Procurement Conference, Holiday Inn of Valley Forge. Sponsor: U.S. Rep. Dick Schulze. Contact: Laura Broderick, c/o Rep Schulze, 223 Cannon House Office Bldg., Washington, D.C. 20515 (202-225-5761).

July 18-21 — Los Angeles — Computer Techniques in Image Pattern Recognition & Analysis, USC Image Processing Institute. Contact: Integrated Computer Systems, Inc., see address above.

Trade Leaders Positive On U.S.–USSR Potential

JOINT COMMISSION HEARS ADMINISTRATION AVOWAL TO AID NORMALIZATION OF BUSINESS RELATIONS

The volume of U.S.-Soviet trade in the past two years has reached record levels despite the publicized problems in commercial relationships between the two countries. At over $4.5 billion, total two-way trade for 1975 and 1976 exceeded by more than 50 percent the total for the previous three years.

This level of activity was seen by the top trade officials of the two nations, who met in Washington earlier this month, as an indication of the potential of U.S.-Soviet trade. The officials convened a session of the Joint U.S.-USSR Commercial Commission to discuss a number of important matters in American-Soviet commercial relations.

The Soviet delegation was told that the Carter Administration is continuing to work for the normalization of trade and financial relationships on a nondiscriminatory basis. The Soviets were also told, however, that an Adminisetration initiative on this issue would depend on an improvement in overall U.S.-Soviet relations. At present the Soviet Union does not receive Most-Favored-Nation tariff treatment from the U.S. and is not eligible for government-supported credits because in early 1975 it rejected conditions attached to these provisions in the Trade Act of 1974 as interference in its internal affairs. As a result the 1972 U.S.-USSR Trade Agreement has not been brought into effect.

The June 9-10 Washington meeting was the sixth in a series of sessions held since the commission's establishment during a summit meeting in May 1972. Secretary of the Treasury W. Michael Blumenthal was chairman of the U.S. delegation, and Secretary of Commerce Juanita M. Kreps vice-chairman. The USSR Foreign Trade Minister, N. S. Patolichev, led the Soviet delegation. Soviet Ambassador to the U.S. Anatoly Dobrynin also attended. Minister Patolichev had separate meetings with Vice President Walter Mondale, Secretary of State Cyrus Vance and Secretaries Blumenthal and Kreps during his Washington visit.

A team of U.S. and Soviet trade specialists, known as the Working Group of Experts, met in Washington June 6-7 and will meet in Moscow in the first half of 1978.

The working group agreed to carry out a significant exchange of economic, industrial and foreign trade data over the next year. This will include information on general economic forecasts, production and other data, and the way in which these data are compiled. The same group will also sponsor a seminar on trade promotion matters in Washington this year. A second seminar, not yet defined as to date and subject, will be held in Moscow.

The commission was given a progress report on the work of the U.S.-USSR Trade and Economic Council, which brings together U.S. firms interested in trade with the USSR and Soviet foreign trade enterprises. Harold B. Scott of New York, president of the council, emphasized in his presentation that the business communities in both countries actively support a normalization of U.S.-USSR trade relations.

It was reported to the commission that 25 U.S. companies have now been authorized to maintain offices in Moscow. This is an increase of seven companies in the past two years. Both sides agreed to work to improve pertinent business conditions and facilities in each country.

The delegations reviewed the status of a number of major Soviet projects that involve the purchase of U.S. equipment, including the Kama truck complex, the Orenburg gas pipeline, and plants to manufacture iron ore pellets, acetic acid, synthetic furs, and baby food projects.

Some new large-scale projects were identified for the commission members in the following fields: chemicals and petrochemicals, natural gas production and processing, woodworking, pulp-and-paper industry, ferrous and nonferrous metallurgy, production of some types of foodstuffs, and machine tools.

The U.S. delegation encouraged the continuing use of American commercial bank financing for U.S.-USSR trade, including greater use of short and medium term credit. In this context the U.S. members reviewed the legal lending limit under U.S. federal banking law.

AT TRADE TALKS—*Secretary of Commerce Juanita M. Kreps greets Soviet Trade Minister N.S. Patolichev at Sixth Session of the Joint U.S.-USSR Commercial Commission, while Treasury Secretary W. Michael Blumenthal looks on.*

MANUFACTURED EXPORTS: U.S. SHARE SLIPS IN 1976 AFTER THREE YEARLY RISES

The U.S. share of world exports of manufactures, excluding shipments to this country, fell substantially in 1976 to 20.3 percent. The decline of nearly a full percentage point was the first recorded in the U.S. position in four years.

At least part of this slippage may be attributable to the increasing foreign currency cost of the U.S. dollar which tends to raise the prices of U.S. goods relative to those of other suppliers in world markets. Further, since the end of the recession in early 1975, gains in productivity by U.S. manufacturers have lagged behind those of various competitors such as Japan, Germany and France.

These developments contrast with the pre-1975 pattern of generally decreasing foreign currency costs of the U.S. dollar and increasing U.S. productivity relative to that of competing suppliers.

The value of world exports of manufactures rebounded sharply in 1976 from the slowdown in growth recorded in the previous year when trade values were dampened by generally sluggish worldwide economic conditions as well as by easing inflationary pressures. As the recovery began taking hold in the industrial countries in late 1975 and early 1976, trade expanded rapidly with little evidence of a resurgence of inflationary pressures.

The growth in U.S. export values of these goods, on the other hand, decelerated slightly in 1976; shipments climbed by only 9 percent compared with a 12 percent rise the previous year. Also, in contrast to the pattern exhibited by the group of other major manufactures suppliers, only a small part of the U.S. growth represented increased volume. Thus, 1976 U.S. shipments expanded at a much slower pace than those of the competitors as a group, resulting in a substantial drop in market share. Exports by most of the other 14 suppliers accelerated sharply, especially those of Germany, the Netherlands, Belgium-Luxembourg, and Japan. Only France reported a significant slowing in its export growth.

The largest share drop, three percentage points, was recorded in transport equipment with a somewhat smaller decline in nonelectric machinery. Smaller decreases were posted in basic manufactures and miscellaneous manufactured articles. In contrast, the U.S. shares of chemicals and electric machinery were larger in 1976 than in the previous year.

In transport equipment, the huge decline in the U.S. standing to 24.8 percent occurred as the growth in U.S. shipments slowed markedly from the previous year. At the same time, exports by the other 14 suppliers as a group continued to expand rapidly. Individually, however, the growth patterns of the other suppliers differed with French and British exports advancing more slowly than in 1975 while German and Japanese deliveries accelerated. The relative sluggishness of U.S. exports was attributable to slower outflows of automobiles to Canada and a decline in sales of trucks to countries other than Canada, particularly Iran. In addition, U.S. exports of aircraft were virtually unchanged as higher deliveries of aircraft parts were offset by lower shipments of military planes.

The U.S. position in nonelectric machinery dropped by about one percentage point to 26.6 percent after two years of strong increases. U.S. nonelectric machinery sales were generally sluggish

U.S. SHARE OF WORLD EXPORTS OF MANUFACTURES

Adjusted for seasonal variation

Commodity	U.S. exports (million dollars)	U.S. share* (% based on export-weighted exchange rates[1])
Manufactures, total		
1975	72,118	21.2
1976	78,526	20.3
1975 1st qtr.	17,339	20.6
2nd	17,668	20.4
3rd	18,371	21.9
4th	18,880	21.7
1976 1st	18,510	20.5
2nd	19,578	20.6
3rd	19,956	20.2
4th	20,419	20.0
Chemicals		
1975	8,746	20.1
1976	10,032	20.4
1975 1st qtr.	2,336	20.1
2nd	2,097	19.4
3rd	2,080	20.5
4th	2,248	20.5
1976 1st	2,344	20.3
2nd	2,589	21.1
3rd	2,494	20.1
4th	2,605	20.2
Nonelectric machinery		
1975	21,088	27.8
1976	22,199	26.6
1975 1st qtr.	4,940	28.4
2nd	5,311	27.0
3rd	5,339	27.7
4th	5,504	28.1
1976 1st	5,350	26.8
2nd	5,545	26.9
3rd	5,555	26.9
4th	5,687	26.0
Electric machinery		
1975	7,771	22.3
1976	9,509	23.0
1975 1st qtr.	1,862	22.2
2nd	1,929	22.0
3rd	1,955	22.6
4th	2,021	22.4
1976 1st	2,147	22.7
2nd	2,332	23.3
3rd	2,506	23.6
4th	2,507	22.4
Transport equipment		
1975	17,281	27.8
1976	18,334	24.8
1975 1st qtr.	3,854	26.8
2nd	4,126	26.3
3rd	4,714	30.3
4th	4,673	28.1
1976 1st	4,134	24.5
2nd	4,577	25.5
3rd	4,776	23.8
4th	4,904	25.2
Basic manufactures		
1975	11,230	12.5
1976	11,513	11.8
1975 1st qtr.	2,835	12.0
2nd	2,747	12.0
3rd	2,791	12.9
4th	2,887	13.2
1976 1st	2,873	12.6
2nd	2,846	11.8
3rd	2,882	11.6
4th	2,886	11.2
Miscellaneous manufactured articles		
1975	6,002	17.3
1976	6,939	17.0
1975 1st qtr.	1,512	17.6
2nd	1,458	16.9
3rd	1,492	17.4
4th	1,547	17.4
1976 1st	1,662	17.3
2nd	1,689	17.1
3rd	1,733	16.9
4th	1,830	16.6

Note: Data are revised. Figures for 1976 are preliminary. The term "manufactures" refers to chemicals, machinery, transport equipment, and other manufactures except mineral fuel products, processed food, fats, oils, firearms of war, and ammunition. World exports are defined as exports from the 15 major industrial countries. Percentage shares are based on values excluding shipments to the United States. These nations, which account for 80 percent of world exports of manufactures to foreign markets, are: United States, Austria, Belgium-Luxembourg, Canada, Denmark, France, Federal Republic of Germany, Italy, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and Japan.

* Of world exports to foreign markets.

[1] Export-weighted exchange rate indexes are calculated for each supplier in each period, using official rates of exchange *vis-a-vis* 67 principal markets.

Series Revised

The accompanying tables present series of data, which have been partly revised, showing quarterly and annual U.S. shares. Beginning in 1971, revisions were required because more current data became available for export-weighting the exchange rate indexes of each supplier *vis-a-vis* the 67-market countries and also because of a slight change in the composition of the 67 markets. The revisions affected share percentages only slightly through 1973. Although not published here because of space limitations, the entire revised series is available from the Office of International Trade Analysis, Room 5618, U.S. Department of Commerce, Washington, D.C. 20230.

U.S. SHARE OF WORLD EXPORTS OF MANUFACTURES 1958-76

Commodity	U.S. exports (million dollars)	U.S. share* (% based on export-weighted exchange rates[1])
Manufactures, total		
1958	11,221	27.7
1959	10,867	25.6
1960	12,716	25.3
1961	12,924	24.1
1962	13,835	24.6
1963	14,459	23.6
1964	16,718	24.0
1965	17,648	22.8
1966	19,510	23.0
1967	21,090	23.3
1968	24,113	23.6
1969	27,132	22.5
1970	29,730	21.3
1971	30,845	20.1
1972	34,285	19.1
1973	45,574	19.5
1974	64,559	20.2
1975	72,118	21.2
1976	78,526	20.3
Chemicals		
1958	1,410	29.6
1959	1,562	29.1
1960	1,779	29.6
1961	1,793	28.2
1962	1,880	27.9
1963	2,013	26.9
1964	2,369	27.1
1965	2,407	24.7
1966	2,693	24.6
1967	2,812	23.7
1968	3,296	24.2
1969	3,393	21.9
1970	3,840	21.9
1971	3,855	20.0
1972	4,162	18.6
1973	5,781	19.1
1974	8,891	18.6
1975	8,746	20.1
1976	10,032	20.4
Nonelectric machinery		
1958	2,818	35.0
1959	2,835	33.8
1960	3,250	32.7
1961	3,605	31.1
1962	3,945	30.9
1963	4,062	30.2
1964	4,678	31.4
1965	5,068	30.9
1966	5,578	30.1
1967	5,984	30.2
1968	6,347	29.4
1969	7,223	28.8
1970	8,444	28.1
1971	8,561	25.6
1972	9,637	25.1
1973	12,212	25.2
1974	16,811	26.3
1975	21,088	27.8
1976	22,199	26.6
Electric machinery		
1958	1,067	32.8
1959	1,045	30.6
1960	1,090	28.2
1961	1,231	27.0
1962	1,367	27.3
1963	1,501	26.8
1964	1,676	26.2
1965	1,674	24.0
1956	1,916	25.2
1967	2,117	25.8
1968	2,303	25.1
1969	2,703	24.4
1970	3,033	22.7
1971	3,098	21.1
1972	3,741	20.9
1973	5,094	21.6
1974	7,156	23.0
1975	7,771	22.3
1976	9,509	23.0
Transport equipment		
1958	2,491	35.3
1959	2,188	32.0
1960	2,671	33.2
1961	2,515	30.5
1962	2,748	31.9
1963	2,710	28.2
1964	3,058	28.4
1955	3,455	28.4
1966	3,727	28.7
1967	4,539	31.8
1968	5,882	34.3
1969	6,570	32.4
1970	6,542	29.0
1971	7,948	29.7
1972	8,347	26.4
1973	10,813	27.0
1974	14,583	29.0
1975	17,281	27.8
1976	18,334	24.8
Basic manufactures		
1971	4,537	10.8
1972	5,073	10.5
1973	7,444	11.4
1974	11,490	12.3
1975	11,230	12.5
1976	11,513	11.8
Misc. mftd. articles		
1971	2,846	16.1
1972	3,326	15.5
1973	4,230	16.2
1974	5,628	17.3
1975	6,002	17.3
1976	6,939	17.0

Note: Shares beginning 1971, and U.S. exports in 1975, are revised. Figures for 1976 are preliminary. The term "manufactures" refers to chemicals, machinery, transport equipment, and other manufactures except mineral fuel products, processed food, fats, oils, firearms of war, and ammunition. World exports are defined as exports from the 15 major industrial countries. Percentage shares are based on values excluding shipments to the United States. These nations, which account for approximately 80 percent of world exports of manufactures to foreign markets, are: United States, Austria, Belgium-Luxembourg, Canada, Denmark, France, Federal Republic of Germany, Italy, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and Japan.

* Of world exports to foreign markets.

[1] Beginning 1971, export-weighted exchange rate indexes are calculated for each supplier in each year, using official rates of exchange *vis-a-vis* 67 principal markets.

after posting a substantial rise in 1975. This pattern was repeated in a wide variety of products including excavating and mining machinery, power generating machinery and agricultural tractors. Conversely, shipments of computers and parts rebounded significantly from the previous year. Exports by the other suppliers as a group slowed only slightly in 1976. The deceleration in French and Italian sales was considerable, however, and only Germany and Denmark reported larger export increases than in the previous year.

The smallest declines in this country's share occurred in basic manufactures and miscellaneous manufactured articles. In basic manufactures, which includes semimanufactures of various materials and certain finished metal products, the U.S. standing dropped to 11.8 percent as shipments recovered slowly from their sluggishness of the previous year. At the same time, deliveries by competitor countries, led by Germany, Belgium-Luxembourg, Japan, and the United Kingdom, rebounded sharply. The U.S. export advance was retarded by the slide in sales of steel tubes, pipes and fittings, mostly to the oil exporting LDCs, as well as a decline in deliveries of nonferrous metals.

In miscellaneous manufactured articles, the U.S. share declined to 17 percent even though the outflow of U.S. goods grew more than twice as rapidly as in 1975. Exports were spurred by stepped-up deliveries of sound recorders and reproducers and photographic supplies. The more rapid sales advances by the other suppliers were paced by Japan, Germany, and Switzerland.

U.S. exports of chemicals climbed sizably after declining slightly in 1975. At the same time, shipments by the other suppliers as a group also rose but at a slower rate, with Canada, Germany, and the Netherlands reporting the highest growth among the competitors. As a result, the U.S. share climbed to 20.4 percent. Shipments of most U.S. chemical products rebounded strongly in 1976, especially those of organics and plastics. Deliveries of nuclear materials continued to advance rapidly while the value of exports of fertilizers declined, largely as a result of falling prices.

The U.S. share of electric machinery increased to 23 percent as exports expanded more than twice as fast as in the previous year. Exports by the other suppliers advanced less rapidly despite sharp increases posted by Japan and Germany. U.S. shipments of electronic components rebounded markedly from the previous year's decline while those of switchgear and telecommunications equipment were buoyant.

Indianapolis Is Scene Of Licensing Conference

The Indiana Department of Commerce in cooperation with the U.S. Department of Commerce District Office in Indianapolis is sponsoring a conference on "A World of Profit: Licensing and Joint Venture," June 30, at the Hyatt Regency in Indianapolis.

The conference will assist interested U.S. businessmen in the opportunities available through joint venture and licensing with European companies. Topics for discussion include basic methodology and implementation of licensing, sources of technology, financial and legal considerations and case histories.

For information contact: The International Trade Division, Indiana Department of Commerce, 336 State House, Indianapolis, Ind. 46204.

IEEE Meeting, Mexico

The Mexico Section of the International Electrical and Electronic Engineering Society (IEEE) is soliciting papers for its international conference, MEXICON 77, Nov. 9-12, in Mexico City. Deadline for submitting summaries of up to 500 words is June 30.

Concurrent with the conference will be an exhibition area available to companies interested in exhibiting electrical or electronic products. For details, write: Jose de Moraes, IEEE Mexico Section, Culiacan #115, Mexico 11, D.F.

Official Trade Briefs

This article is another in a series of reports that describes actions affecting world trade, as compiled by the Legislative and Tariff Policy Division of the International Economic Policy and Research Bureau's Office of International Trade Policy.

THE PRESIDENT

Import Relief: Presidential decisions on the **footwear, television** and **sugar** "escape clause" cases highlight recent U.S. actions affecting trade. In the footwear and color television cases, orderly marketing agreements (OMA's) have been negotiated between the United States and its principal foreign suppliers. (See box for details). The agreements were negotiated following affirmative findings of import injury by the U.S. International Trade Commission (ITC) under the "escape clause" provisions of Title II of the Trade Act of 1974 and a Presidential determination that such OMA's offered a more appropriate avenue of relief to the domestic footwear and television industries than the import restrictions recommended by the ITC.

In the sugar case, the President announced his decision to reject the ITC's recommendation of a sugar import quota system, which was made following the Commission's determination that increased imports were causing injury to the domestic industry. As an alternative remedy, the President directed the Secretary of Agriculture to institute a program of direct income support payments to domestic sugar producers.

Under the Trade Act provisions, Congress may override the President's decision in any or all of the three cases by a majority vote of both the Senate and House of Representatives. In the event that Congress takes such action, the import relief recommendation of the ITC would be imposed.

Romanian Most-Favored-Nation Treatment: President Carter has sent to the Congress his recommendation that Romania continue to be granted Most-Favored-Nation (MFN) status. In order for Romania to remain eligible for MFN duty status, the President asked the Congress to extend, for a twelve-month period, a waiver of the freedom of emigration requirement of Title IV of the Trade Act of 1974. He stated that the Administration would monitor closely compliance with the objectives of the Trade Act's provisions on freedom of emigration in East-West trade, and that if performance did not accord with the intent of the provisions he would want to reconsider his recommendation.

Fisheries: The President also submitted to the Congress international fishery agreements between the United States and Cuba and between the United States and Japan. The agreements were necessitated by requirements of the Fishery Conservation and Management Act of 1976 which establishes a 200-mile fishing zone for the United States.

CONGRESS

Export Administration Act: Legislation amending the Export Administration Act of 1969 (H.R. 5840) moved closer to enactment as the House-Senate conference committee submitted an agreed report which was approved by the House and Senate and sent to the White House.

Bills Passed—Senate: On May 24, the Senate passed a measure as part of the Omnibus farm bill (S. 275) that would subject imported **filberts** to quality standards currently applicable to a variety of other fruits and vegetables under section 8e of the Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement of 1937.

Bills Reported—Senate: The Senate Finance Committee has favorably reported H.R. 5262, increasing U.S. participation in **International Financial Institutions.** The Act would further provide for the Secretary of the Treasury to instruct the United States Executive Directors of the institutions to determine whether loans for the development of palm oil, cane sugar, or citrus crops will cause injury to United States producers of similar products. The Act also contains provisions to channel economic assistance to governments other than those which engage in a consistent pattern of gross violations of internationally recognized human rights.

Bills Reported—House: The Committee on Ways and Means met and reported favorably to the House the following bills: H.R. 1550, to reduce the rate of duty on **ceramic insulators** used in spark plugs; H.R. 1904, to provide duty-free treatment for **intravenous fat emulsions;** H.R. 2692, to suspend for two years the duty on **wood excelsior** imported from Canada; H.R. 2849, to suspend for a three-year period the rate of duty on **mattress blanks of rubber latex;** H.R. 2850, to suspend for a three-year period the rate of duty on **certain latex sheets;** H.R. 2982, to suspend for a two-year period the duty on **synthetic tantalum/columbium concentrate;** H.R. 3093, to extend until July 1, 1979, the duty-free treatment on **copying lathes** used for making rough or finished shoe lasts; H.R. 3373, to extend for an additional temporary period the existing suspension of duties on certain classifications of **yarns of silk.**

Also, H.R. 3387, to continue until the close of June 30, 1980, the existing suspension of duties on **synthetic rutile;** H.R. 3790, to suspend until the close of June 30, 1980, the duty on **concentrate of poppy straw** used in producing codeine or morphine; H.R. 3946, to suspend for a temporary period the rate of duty on **wool** not finer than 46s; H.R. 4018, to suspend until the close of June 30, 1979, the duty on **certain doxorubicin hydrochloride antibiotics;** H.R. 4654, to reduce the rate of duty on **unmounted underwater lenses;** H.R. 5037, for the relief of Jack R. Misner; H.R. 5052, to provide for the temporary suspension of duty on the importation of **color couplers** and **coupler intermediates** used in the manufacture of photographic sensitized material; H.R. 5146, to provide for the duty-free entry of **competition bobsleds and luges.**

Also, H.R. 5176, to lower the duty on **levulose** until the close of Dec. 31, 1980; H.R. 5263, to suspend until the close of June 30, 1979, the duty on **certain bicycle parts;** H.R. 5285 amended, with respect to the tariff treatment accorded to sheets manufactured from **acrylic resin** materials; H.R. 5289, for the relief of Joe Cortina of Tampa, Fla.; H.R. 5322, to continue for a temporary period the existing suspension of duty on **certain istle;** and H.R. 5858, to permit the free entry of **Canadian petroleum** (including reconstituted crude petroleum) and **crude shale oil,** provided that an equivalent amount of the same kind and quality of domestic or duty-paid foreign crude petroleum (including reconstituted crude petroleum) and crude shale oil has been exported to Canada.

The House Agriculture Committee has favorably reported H.R. 7171, farm legislation identical to S. 275, **Omnibus farm bill,** which was recently passed by the Senate.

Committee Hearings—House: The Subcommittee on Oceanography of the Merchant Marine and Fisheries Committee and the Subcommittee on Mines and Mining of the Committee on Interior and Insular Affairs held hearings on H.R. 3350, **Deep Seabed Hard Minerals Act,** and related bills. Testimony was heard from Ambassador Elliot Richardson, Howard Pollack, Deputy Administrator of NOAA, representatives of the Departments of Treasury and Interior, and public witnesses.

The Subcommittee on International Organizations of the House Committee on International Relations held hearings on **deep seabed mining** legislation and the Law of the Sea Conference. Testimony was given by Ambassador Elliot Richardson and Congressional and private witnesses. The same Committee's

▸ **Color Television Receivers**—President Carter on May 20 approved an orderly marketing agreement with Japan as the appropriate import relief to remedy serious injury to the domestic industry and its workers. As the President determined that imports of black and white televisions have not substantially caused or threatened serious injury to the domestic industry, the agreement covers only color television receivers. Under the agreement, Japan will limit its exports to the United States over the next three years to 1.56 million "complete" color television receivers and 0.19 million "incomplete" color receivers annually. In addition, the agreement contains an equity clause which provides for extension of the agreement to any other supplier which attempts to take unfair advantage of Japanese restrictions.

▸ **Footwear**—The United States and the Republic of China (Taiwan) on June 14 signed an orderly marketing agreement which limits Taiwanese exports of footwear to the United States to 122 million pairs for the year beginning June 28. The agreement, to be in effect for four years, provides for an increase in the quota level of three million pairs per year. Consultations may be held to consider further growth. An ad referendum four-year orderly marketing agreement negotiated with the Republic of Korea, limiting its shoe exports to the United States, is expected to be signed before the end of the month.

International Economic Policy and Trade Subcommittee began markup of a bill reforming the Trading with the Enemy Act.

New Legislation: In the first session of the 95th Congress, 140 trade and related bills have been introduced. Those not previously reported in this column include: H.R. 7159, to amend the Wool Products Labeling Act of 1939 with respect to recycled **wool**; H.R. 7224, to increase for a five-year period the duty on certain **hand tools**; H.R. 7325, to provide for Federal regulation of participation by foreign banks in domestic financial markets; H.R. 7398, regarding **imported meat and meat food products and dairy products**; H.R. 7399, to amend the Meat Import Quota Act of 1964 to define **fresh, chilled and frozen meat**; H.R. 7400, to promote the orderly development of **hard mineral resources** in the deep seabed, pending adoption of an international regime relating thereto; H.R. 7594, to amend the Tariff Schedules of the United States to repeal **item 807.00**; H. Res. 584, expressing the sense of the House with respect to the President's action of April 1, 1977, regarding import relief for the **non-rubber footwear industry.**

Also, H. Res. 586, and H. Res. 587, concerning certain freedoms of the citizens of **Romania**; H. Res. 605 and H. Res. 606, directing the Committee on Banking, Finance and Urban Affairs, the Committee on Appropriations, and the Committee on International Relations, to conduct a full review of all U.S. assistance for **developing countries** which is not currently subject to prior congressional review; H. J. Res. 478 and H. J. Res. 479, to encourage formation of an international organization for the conservation of **whales**; H. Con. Res. 226, encouraging maximum use of a **U.S.-flag merchant marine**; H. Con. Res. 228, expressing the sense of Congress that guarantees of human rights and freedom to emigrate for all people under the domination of the Soviet Government should be a prerequisite for any future agreement and trade between the U.S. and the USSR; H. Con. Res. 231, disapproving the President's determination not to grant import relief to the U.S. **sugar** industry; S. 1519, to amend the Tariff Schedules of the U.S. to suspend until the close of Dec. 31, 1978, the duty on certain **field glasses, opera glasses, binoculars and other telescopes**; and S. 1609, to amend the Tariff Schedules of the U.S. to increase from $100 to $300 the value of articles which may be imported duty-free by or for the account of, any person arriving in the U.S. who is a returning U.S. resident.

COMMERCE DEPARTMENT

Trade Adjustment Assistance for Firms: During the month of May, the Department certified seven firms as eligible to apply for trade adjustment assistance, and denied certification of eligibility for one. Firms found to be eligible for assistance in adjusting to import competition are: J. Bass and Co., Inc., New York **(printed fabrics)**; Vogue Industries, Inc., Lowell, Mass. **(stainless steel flatware)**; Leeman Knitting Mills, Inc., Long Island City, N.Y. **(ladies knit suits)**; Perry Mfg. Corp., Norvelt, Pa. **(ladies coats)**; Trifine Trousers Co., Inc., New York **(trousers, slacks and shorts)**; Accent Industries, Santa Ana, Calif. **(plant hangers)**; and Rectilinear Research Corp., Bronx, N.Y. **(loudspeaker systems)**. Frangella Mushroom Farms, Inc., in Ravena, New York, producer of fresh and canned **mushrooms**, was denied eligibility.

TREASURY DEPARTMENT

Antidumping Cases: The Treasury Department has announced withholding of customs appraisement on imports of **railway track maintenance equipment** from Austria. The action follows the Department's preliminary investigation into allegations of sales of the subject goods at less-than-fair value within the meaning of the antidumping law. A final Treasury determination is due in August.

In other antidumping action, Treasury has tentatively terminated proceedings concerning **rubber thread** from Italy and **photo albums** from Canada. According to law, when such discontinuances, based on price assurances, are issued, trade is monitored, and when such monitoring has continued for at least two years and resulted in no evidence of violation of price assurances, Treasury may take steps to terminate the proceedings. In the rubber thread case, final discontinuance of the Treasury dumping investigation was published in 1973. The investigation of photo albums was discontinued in 1974. Monitoring has established that price assurances given in both cases have been honored.

Countervailing Duty Cases: Final affirmative determinations that foreign bounties or grants are being paid or bestowed on products imported into the United States have been made in three cases recently decided under the U.S. countervailing duty law. The cases involve **handbags** from Korea, **industrial fasteners** (bolts, nuts, screws) from Japan, and **handbags** from Taiwan.

In addition, the Department has determined preliminarily that bounties or grants being paid or bestowed on imports of **cordage** from Korea are minimal, and that a countervailing duty should therefore not be levied on the subject goods.

Finally, the affirmative countervailing duty determination issued on imports of **footwear** from the Republic of China in January of 1976 has been revoked. Further investigation since that date revealed that the benefits received constituting these bounties or grants are also legally minimal.

LABOR DEPARTMENT

Adjustment Assistance Certification: The Labor Department, having found that workers at certain firms have been or may become unemployed as a result of increased imports, has certified workers at those firms as eligible to apply for adjustment assistance. Adjustment assistance, under the provisions of the Trade Act of 1974, may include cash trade readjustment allowances, training, testing, counseling, job placement, job search grants, and relocation allowances.

The workers certified (numbers where available are approximate) are or have been employees of the following firms: Uniroyal, Inc., Naugatuck, Conn. **(rubber/canvas footwear)** 1100; Allied Textile Printers Corp., Paterson, N.J. **(printed textiles)** 350; Union Textile Printers, Secaucus, N.J. **(printed fabric)**

150; L. B. Evans and Son Co., Wakefield, Mass. **(slippers and casual shoes for men)** 250; Joseph F. Corcoran Shoe Co., Stoughton, Mass. **(men's boots)** 150; Wellington Leather, Inc., Peabody, Mass. **(men's leather jackets)** 90; Pettyjohn Brothers Shoe Mfg., Inc., Lynchburg, Va. **(children's footwear)** 125; Prestige Shoe Co., Wilkes-Barre, Pa. **(women's shoes)** 125; William Atkin Co., Inc., Allentown, Pa. **(men's shirts)** 120.

Also, Huntingdon Machines Div. of Gulf and Western Industries, Huntingdon, Pa. **(steel pipe fittings and couplings)** 40; Reynoldsville Industries, Inc., Reynoldsville, Pa. **(boy's knit shirts)** 25; International Harvester Co., New Orleans **(sisal agricultural twine)** 100; Harmony Co., Chicago **(stringed musical instruments)** 100; Babcock and Wilcox Co., Inc., Elkart, Ind. **(pipe fittings)** 55; Cherie Brassiere Co., Inc., Brooklyn **(brassieres)** 10; Converse Rubber Co., Berlin, N.H., Presque Isle, Me. and Wilmington, Mass. **(canvas and athletic footwear)** 1400.

Delton Shirtmakers, Inc., New Bedford and Lowell, Mass. **(men's shirts)** 190; Phoenix Steel Corp., Phoenixville, Pa. **(tubular and structural steel)** 200; Phoenix Steel Corp., Claymont, Del. **(carbon steel plates)** 275; Heavenly Shoe Co., Wilkes-Barre, Pa. **(women's shoes)** 200; Jack Sebastian Shoe, Inc., Wilkes-Barre, Pa. **(women's shoes)** 50; Miss Quality Inc., R and N Div., Philadelphia **(girls' blouses and slacks)** 15; Henry Garcia, Inc., Los Piedras, P.R. **(brassieres)** 200; Wheeling Machine Products Co., National Road Plant, Wheeling, W. Va. **(steel pipe couplings)** 100.

Also, Lenco Div. of the Coca Cola Co., Linden, N.J. (processing of **instant coffee)** 50; Marie Garment Co., Jersey City, N.J. **(women's slacks, blouses, dresses, and long formal dresses)** 20; The Gilbert Shoe Co., Thiensville, Wis. **(children's and babies' shoes)**; Airco Alloys, Theodore, Ala. **(silico manganese)** 35; Converse Rubber Co., Andover, Mass. **(canvas and athletic footwear)** 400; Jo-Gal Shoe, Inc., Lawrence, Mass. **(children's infants' and misses' non-rubber footwear)** 290; Capitol Footwear Corp., Worcester, Mass. **(men's slippers, casual shoes, boots and sandals)**; International Shoe Co., El Dorado Springs, Mo. **(women's and infants shoes)** 215.

Also, Denison Cotton Mill Co., Denison, Tex. **(cotton duck)** 170; Wilton Corp., Tool Div., Winchester, Tenn. **(home and workshop vises)** 45; Gold Seal Garter Corp., New York **(brassieres and girdles)** 20; Allan Shoe Mfg. Co., Inc., Norwich, Conn. **(men's, youths' and boys' dress and casual footwear and work footwear)** 20; Miss Sarah, Inc., Brownsville, Tex. **(shrimp)** 3; Kaiser Steel Corp., Fontana, Calif. **(pipe, structural shapes, plate, galvanized sheet, cold rolled sheet)** 4200.

Denials: The Department denied petitions for trade adjustment assistance for workers of the following companies: Mesta Machine Co., Pittsburgh **(rolling mill machinery and related equipment)** 1860; Kerotest Mfg. Corp., Pittsburgh **(valves)** 130; Chemetron Corp., Tube Turns Div., Louisville **(carbon steel butt-welding fittings)** 550; Pacific States Steel Corp., Union City, Calif. **(grinding media and merchant bars)** 50; Calumet Steel Co., Chicago Heights, Ill. **(steel products)** 40; YKK (USA), Inc., Lyndhurst, N.J. **(zippers)** 35; Dixon Ford Shoe Co., Salinas, P.R. **(men's work shoes)** 12.

Also, Robert Hall Clothes, New York **(advertising)**; Creiner and Brumberg, Inc., New York **(handbags)**; Airco, Inc., Nigara Falls, N.Y. **(ferrochrome silicon alloys)**; Indian Head Millwork Corp., Nashua, N.H. **(millwork products)**; Hammond Valve Corp., Hammond, Ind. **(valves)**; Alan Wood Steel Co., Conshohocken, Pa. **(cold rolled sheet and strip and hot rolled sheet and strip, or carbon alloy steel plate)** 830; Raybestos Manhattan Friction Materials Co., Manheim, Pa. **(asbestos friction materials products and asbestos wool yarn)** 100; Maline Sewing Corp., Philadelphia **(women's skirts, pants, shorts, and culottes)** 40; Homestead Industries, Inc., Plant No. 1, Coraopolis, Pa. **(valves)** 30; Maxi Mfg. Co., Catawissa, Pa. **(forged carbon steel unions)** 15; Sumneytown Pants Shop, **(Ettelson of Philadelphia, Inc.)**; Sumneytown, Pa. **(men's big and tall size suits pants and slacks).**

Also, Ettelson of Philadelphia, Inc., Philadelphia **(men's suits, sport coats and slacks)**; Copperweld Corp., Metallic Div., Glassport, Pa. **(copper-clad and aluminum-clad steel wire products)**; Union Electric Steel Corp., Carnegie, Pa. **(forged steel rolls for rolling machines)**; Lenco Div. of the Coca Cola Co., Linden, N.J. **(packaging instant coffee)**; Southwest Steel Rolling Mills, Inc., Los Angeles **(reinforcing bars, fence posts, steel bar products, and structural shapes)**; Macsteel Co., Jackson, Mich. **(seamless steel tubing)** 120; Atlantic Steel Co., Atlanta, Ga. **(hot rolled carbon steel, carbon steel wire)** 60; Standee Mfg. Corp., Perth Amboy, N.J. **(girls' sportswear)** 50.

Also, Empire Oldsmobile, New York **(luxury small, compact, intermediate, and full size cars)** 50; Roblin Steel Co., Dunkirk, N.Y. **(alloy and carbon steel billets)**; H. W. Gossard Co., Piggott, Ark. and Poplar Bluff, Malden, and Malden Air Base, Mo. **(women's lingerie)** 55; Western Leather Products Corp., Milwaukee **(shoe counters and heels, finished leather and vinyl products)** 3; Kenosha Auto Transport Corp., Kenosha, Wisc. **(delivery of automobiles)**; Kaiser Steel Corp., Fontana, Calif. **(fabricated structural shapes, hot rolled sheet, tin mill products and bars)** 850; Florsheim Shoe Co., Cape Girardeau, Mo. **(leather heels, insoles, bottoms, tops, and outsoles)** 240; Soule Steel Co., Carson, Calif. **(reinforcing bars and fence post sections)** 50.

Also, American Felt Slipper Co., Brewer, Me. **(women's and children's slippers)** 170; Flodar Corp., Cleveland **(hydraulic fittings)** 30; Duchess Garter Corp., New York **(garter straps)**; Hanna Furnace Corp., Buffalo **(pig iron)**; Alabama By-Products Corp., Tanant, Ala. **(coke)**; Jim Walter Resources, Inc., Birmingham, Ala. **(coke pig iron)**; Titanium Metals Corp. of America, Standard Steel Div., Burnham, Pa. **(railroad wheels, axles, rings)**; Weyenberg Shoe Mfg. Co., Milwaukee Sole Plant, Milwaukee **(men's insoles and outsoles)**; Marathon Steel Co., Tempe, Ariz. **(concrete reinforcing bars)**; and Maidenform, Inc., Perth Amboy, N.J. **(brassieres, girdles, swimsuits).**

Investigations: Of the new investigations recently initiated by the Department to determine whether workers at various plants are eligible to apply for adjustment assistance the products most frequently involved are **footwear** and **textile products.**

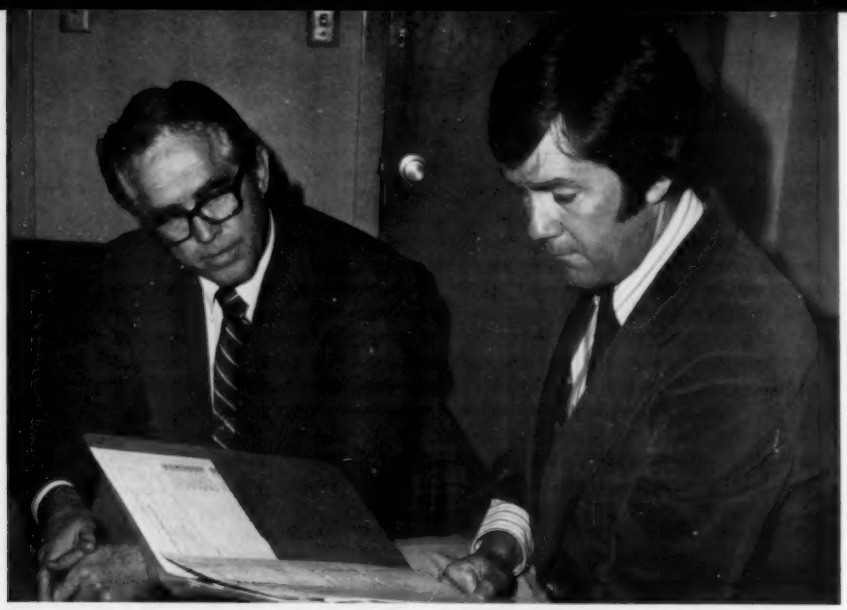
Reports: The Labor Department has recently completed studies under section 224 of the Trade Act of 1974 into the potential use of adjustment assistance by industries subject to section 201, "escape clause" investigations.

The first report indicated that as many as 1600 unemployed workers in the **sugar** industry may become eligible to apply for adjustment assistance. The workers are located in Colorado, Hawaii, Kansas, Nebraska and Wyoming. The study further revealed that nearly 200 sugar cane mill workers in Hawaii and approximately 100 in Louisiana are likely to be laid off over the next few months.

The second study indicates that over the last two years nearly 6,000 workers in the **television receiver** industry have received more than $6 million in trade adjustment assistance benefits. The Department estimates that at least another 600 workers may also apply for and receive assistance. New York and Arkansas have been the most seriously affected by layoffs which have occurred at final assembly plants in the television receiver industry since 1976.

THE JUDICIARY

Zenith Radio Corporation v. The United States. On June 8, the Court of Customs and Patent Appeals (CCPA) heard oral argument in the appeal by the United States Government of the U.S. Customs Court decision upholding the contention of the Zenith Radio Corporation that certain rebates of indirect taxes by the Japanese Government on exports of certain **electronic products** constituted bounties or grants within the meaning of the U.S. countervailing duty law. The



UPSHOT OF A TRADE OPPORTUNITY PROGRAM INQUIRY—*In 1975 a Trade Opportunity Program solicitation by the U.S. Consulate General in Rotterdam, the Netherlands, drew an inquiry from the Van Sway Airconditioning firm of The Hague. This year that inquiry led to a 10-year licensing contract with Consolidated Engineering Co., Atlanta. Paul E. Crafton (left), Consolidated president, explains to George T. Norton, Jr., of the Commerce Department Atlanta District Office, how he followed up the business lead as a Trade Opportunity Program subscriber.*

Treasury Department had ruled against Zenith on a petition filed alleging the existence of a countervailable subsidy in the tax system.

The United States relies heavily on consistent administrative practice, legislative history and the theory that domestic laws should be interpreted where possible as consistent with international obligations to support its theory that the remission of indirect taxes is not considered a "bounty or grant." Zenith supported its contention to a great extent by reference to the statutory language, the legislative history and previous judicial interpretation, including two Supreme Court decisions.

INT'L TRADE COMMISSION

Section 201—Import Relief Cases: The International Trade Commission (ITC) has determined that imports of **cast-iron cooking ware** are not causing serious injury or the threat thereof to the U.S. industry within the meaning of section 201, the "escape clause," Trade Act of 1974.

In the section 201 case concerning **live cattle and certain edible meat products of cattle,** a hearing has been scheduled to be held in Kansas City, Mo., on July 19 with the time and place to be announced. Requests to appear should be filed in writing with the ITC Secretary, 701 E St., NW., Washington, D.C. by noon of the fifth day preceding the hearing.

Section 337-Unfair Trade Practices: The Commission has instituted an investigation under the provisions of section 337 in response to a complaint alleging certain unfair methods of competition or unfair acts in the importation of certain **numerically-controlled machining centers and components thereof.** The complaint alleges patent infringement, unfair use of know-how and trade secrets, and unfair use of a trademark.

Reports: The ITC has sent its findings of an investigation into the **watch** industry instituted under section 332(g) of the Tariff Act of 1930 to the House Ways and Means Committee. The investigation, requested by the Committee, was to determine 1) the probable economic effect of H.R. 14600 of the 94th Congress, a bill to amend the tariff treatment accorded to high-precision watches and 2) the need to protect the domestic industry from import competition.

The Commission has also released its seventh annual statistical report on **automotive trade data.**

INTERNATIONAL

Foreign Antidumping Actions: The Canadian Anti-Dumping Tribunal has rendered injury determinations in two cases involving U.S. goods, following findings of sales at less-than-fair value. The Tribunal found that dumping of **surgical gloves** is likely to cause material injury to Canadian production of like goods. It also issued a finding in the case involving **calcium propionate, sodium propionate, and sodium benzoate,** that sales at less-than fair value of the propionates are likely to cause material injury to Canadian production but that such sales of sodium benzoate are not causing and are not likely to cause such injury.

In other Canadian action, Revenue Canada has announced a determination that certain **acrylic sheet,** originating in the United States, Taiwan, Japan and the Federal Republic of Germany, is being sold at less-than-fair value in Canada, and that the dumping margin is not negligible. The Anti-Dumping Tribunal has initiated inquiry to determine if such sales have caused or are likely to cause material injury to a Canadian industry.

Also a new Canadian dumping investigation has been initiated respecting alleged injurious dumping of **maleic anhydride,** some of which originates in or is exported from the United States.

New investigations involving U.S. goods have also been instituted in the United Kingdom and Australia. The products involved are **liquid absorption base lanolin derivatives** and **shock absorbers.**

The Conference On International Economic Cooperation (CIEC): The so-called North-South dialogue which began 18 months ago concluded June 3. Prior to the most recent round of meetings the cochairman for the less developed countries (LDCs) listed eleven areas on which the LDCs sought significant commitments from their developed country (DC) counterparts. These areas were the integrated program for commodities and the establishment of a common fund, energy, protection of the purchasing power of the export earnings of developing countries including protection of their accumulated assets in developed countries, indebtedness, transfer of resources, access to markets, infrastructure for Africa, industrialization, food, transfer of technology, and international financial and monetary measures.

Agreement was recorded in some issues mostly reflecting DC undertakings in a broad range of fields. In this regard, some principles were agreed upon regarding energy supply and cooperation; DCs agreed in principle to a common fund; and DCs agreed to increase and improve the effectiveness of official development assistance, to enhance public financing for energy and raw materials development, and to establish a special action program of one billion dollars to assist the poorest countries. There were also commitments in the areas of transfer of technology, industrialization, food and agriculture, and trade. The DCs were unable to secure agreement for a continuing dialogue on energy.

Law of the Sea: The sixth session of the Third United Nations Conference on the Law of the Sea began in New York on May 23, and will remain in session into July. Ambassador-at-Large Elliot L. Richardson is heading the U.S. delegation. The principal issues outstanding include deep seabed resource policy and exploitation, status of the economic zone, scientific settlement of disputes in the economic zone, research in the economic zone, and limits of the continental shelf.

OUTDOOR LEISURE—*At Sydney U.S. Trade Center show, Kenneth H. Klopp, of North Face, discusses his company's tents and sleeping bags with Philip Atwill, an executive of the New South Wales scout outdoor center.*

OUTDOOR LEISURE GOODS PURCHASES IN AUSTRALIA SHOW NO SIGN OF ABATING

Australians are now spending an estimated $150 million annually on outdoor leisure and sporting equipment, and with the moves toward increased leisure time and new levels of affluence, such spending shows no sign of abating.

U.S. equipment, particularly, is in demand for its superior quality and design, a fact which was soon realized by 25 American firms that participated in last month's exhibition of outdoor recreational goods at the Sydney U.S. Trade Center.

The trend over recent years has been for imports to supply an ever increasing proportion of the market. In FY 1976, the value of such imports increased by 17.4 percent over the previous year. Products which have shown the highest rate of increase in imports over the past few years are bicycles and equipment for tennis, archery, golf and camping—but good potential exists for most items.

All products on display were highly priced in comparison with competing products already available in the market; but as all were deemed superior to competing products in design and quality, and as Australians have demonstrated their willingness to buy the best available, price was not a significant competitive factor. Many products were being seen for the first time, thus meeting selective consumer needs. Price is likely to be significant for items similar to those supplied by local manufacturers or imported from low-labor-cost neighboring countries.

Several inquiries were received about related items not displayed at this event: outdoor cooking and lighting equipment, outdoor furniture, hunting equipment, exercise equipment, athletic medical facilities and equipment, and swimming pool accessories.

Sales approaching $3.1 million are predicted to result over the next 12 months from show leads. Three representatives were appointed; 40, plus five joint venture and six licensing agreements, are under negotiation. All but two of the participants were new-to-market.

Long-Term Sales Potential For U.S. Textile Machinery Seen In Eastern Europe

Political-economic problems and shortages of hard currency have dimmed the short-term prospects for sales of U.S. machinery in Poland, Czechoslovakia and Hungary, but the underlying enthusiasm for American design and technological excellence remains and points to a promising market down the road.

This is the conclusion of a seminar team of U.S. textile machinery specialists who addressed officials from government ministries, foreign trade organizations and mills at Lodz, Poland, and in Prague and Budapest. It was felt that the effort to stay in contact with possible customers during a time of difficulties would prove valuable for later sales, according to seminar chairman Henry H. Richardson of the American Textile Machinery Association.

The U.S. commercial relationship with Czechoslovakia and Hungary is clouded at present by the tariff treatment accorded to goods from those countries exported to the United States. Neither has Most-Favored-Nation status. Poland, which enjoys M-F-N status, is in a tight hard currency situation—as are the other two.

The seminar participants see sales potential for machinery to make quality yarns and fabrics, particularly denims and carpet. Poland and Czechoslovakia both need to replace obsolete machines. Hungary is planning expansion in spindles and looms. The seven firms represented on the visit may get sales in the neighborhood of $5 million as a result of their participation.

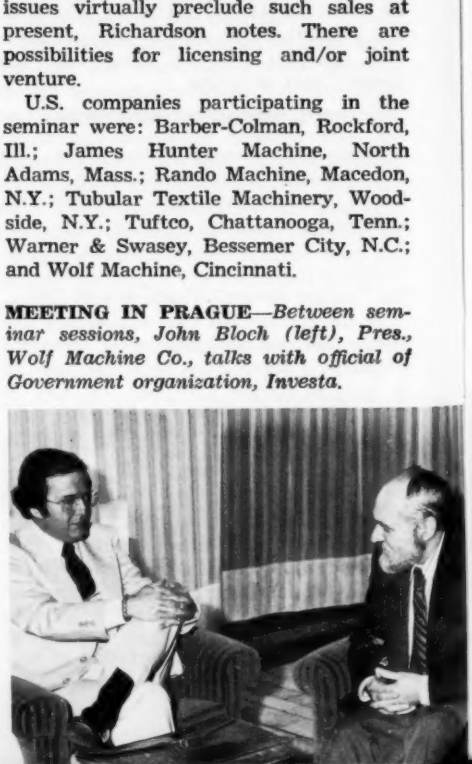
Because of its balance-of-payments situation, Poland's current five-year plan calls for less emphasis on imports and great stress on exports, including textiles. Orders for textile machinery will be difficult to obtain unless the product has economic and technical advantages, notes Richardson. He also points out that two or three years may elapse between an original offer and a signed contract—as the offer travels through the Design Project Office, two ministries, and associations at end-user level. Then, the price of the original offer may no longer be valid.

Czechoslovakia's current five-year plan calls for increasing productivity in the textile industry by 17-20 percent. Czechoslovak authorities reported that the country, overbalanced in its textile machinery imports from West Germany, is now more inclined to buy from the United States or other suppliers.

Hungary's 1976-80 plan calls for doubling the number of its modern spinning machines and adding automatic looms. But, while Hungarian seminar attendees displayed keen interest in U.S. machinery, a 100 percent import duty, scarcity of hard currency, and unsettled political issues virtually preclude such sales at present, Richardson notes. There are possibilities for licensing and/or joint venture.

U.S. companies participating in the seminar were: Barber-Colman, Rockford, Ill.; James Hunter Machine, North Adams, Mass.; Rando Machine, Macedon, N.Y.; Tubular Textile Machinery, Woodside, N.Y.; Tuftco, Chattanooga, Tenn.; Warner & Swasey, Bessemer City, N.C.; and Wolf Machine, Cincinnati.

MEETING IN PRAGUE—*Between seminar sessions, John Bloch (left), Pres., Wolf Machine Co., talks with official of Government organization, Investa.*



AUSTERITY PLAN BEGINS SLOWING ITALIAN GROWTH; U.S. SALES HOLD UP WELL

Economic activity in Italy recovered strongly in 1976 after a 3.5 percent contraction in 1975. Gross Domestic Product grew by 5.6 percent in real terms, and in the fourth quarter alone the economy was expanding at an annual rate of 7.7 percent. This strong surge of activity has provided some growth momentum through the first half of this year, but the effects of the austerity program initiated in the last half of 1976 are beginning to force an economic slowdown.

The U.S. Embassy in Rome expects the Italian economy to drop to a 2-3 percent real growth rate for all of 1977. Industrial production should decline to a 3-4 percent rate of expansion after the rapid 12.4 percent growth in 1976. The government's stabilization program should depress internal demand, spur exports, slow price and labor cost increases, and reduce the balance of payments deficit. Cost-of-living increases averaged 16.5 percent in 1976 and were rising rapidly at the end of the year. Price increases in 1977 may be held to 17-18 percent with the rate of increase much slower at year's end.

Unemployment may decrease slightly from 3.7 percent in 1976, and the major confederations of unions have agreed to restrain wage demands in 1977. Significant agreements were reached during 1976 by the unions and industry, and also the government, to reduce labor cost increases in 1977 to about 16 percent. However, the wage indexation mechanism is largely intact although some important changes in its application were made.

Foreign exchange controls will remain restrictive and domestic credit policy will continue tight. Exports should remain strong, assisted by cost incentives provided through labor cost reductions, but imports should slow to only about 4 percent growth in volume in 1977.

Inflation is a target

The Italian Government's stabilization program, which was put together the last part of 1976 and the first part of 1977, is aimed at slowing inflation, especially by reducing the rate of growth of labor costs, and improving the balance of payments. Some indirect taxes and most public service tariffs have been raised, including the value-added-tax on many goods, in order to reduce the public sector deficit and its inflationary demands on the credit market. At the same time, bank credit ceilings imposed in October 1976 were extended through March 1978 to prevent too rapid growth of domestic credit.

The stabilization plan alone is not designed to, nor expected to, return Italy to a steady positive growth path. Long-term measures are still required to correct the structural disequilibrium which has developed in the Italian economy. This will require a shift of resources away from import industries, towards investment and export development, towards the creation of new employment, and towards more rapid development of the chronically depressed southern portion of the country. A medium-term industrial reconversion and restructuring plan is still being debated in Parliament. A comprehensive energy plan is yet to be presented, although an overall plan for development of nuclear power has finally been approved by the Parliamentary Committee.

Considerable progress has been made in reducing tax evasion and increasing tax revenues, but little has yet been done to reduce the rate of growth of budget expenditures at all levels of government by cutting unnecessary or marginal programs. Also, the rate of growth of labor costs must be brought down even further so as not to exceed those of Italy's major trading partners. Finally, a return to productive investment will depend upon a stable political climate, cooperation of the labor force, and an economic policy directed towards long-term stable growth.

Despite the government's measures to curtail them, Italian imports have been rising. In 1976 they totaled $43.6 billion, compared with $38.6 billion in 1975. The United States increased its exports to Italy from $3.36 in 1975 to $3.43 billion in 1976, resulting in a surplus of some $900 million for the United States in two-way trade with Italy. Machinery, agricultural products, and chemicals continue to be the principal U.S. exports to Italy, but products of high technology find a good market. The government's temporary restrictive policies toward imports have not seemed to affect U.S. sales, and products reflecting the latest state of the art sell well in Italy despite any restrictions.

Into the computer age

Computer installations continue to expand at 15-20 percent rates in terms of annual value, in spite of widespread leasing rather than purchase of equipment. Italian growth rates in this sector are outpacing those of its major EEC partners, since Italy started from a lower base. Moreover, the number of "first-time" buyers of small and medium-sized equipment is increasing markedly. Add to this the market for peripheral equip-

POPULAR ITEM IN ITALY—*U.S. computer equipment is being received enthusiastically by Italian business executives. Here, Data Products booth, EDP USA '76, Milan.*

ment, and Italy becomes one of the most attractive growth markets in Europe, as attested by the enthusiastic response to data processing promotions at the U.S. Trade Center in Milan.

The telecommunications sector is another fast-growing area, as Italy develops plans to improve its telephone and message switching facilities, and gears up for competition in the Middle East.

Italy represents one of Europe's largest import markets for electronic components and production equipment. The United States supplied 35 percent of a total of $77 million in 1975, and U.S. sales are expected to reach $85 million by 1979. Among components having the highest sales potential are advanced semi-conductor devices and special passive components for defense applications. Production equipment and materials such as assembly machines for integrated circuits; binders, vacuum, lidding, and melting furnaces; and test and measuring instrumentation continue in strong demand.

Opportunities for trade

The Italian Government's continuing effort to reduce dependence on imported oil by developing nuclear, gas turbine, thermo-electric and solar energy bears watching for trade opportunities, not only the supplying of technology as well as major components for large energy plants, but also ancillary equipment for safe operation of nuclear plants.

The market for industrial and commercial security equipment is growing. Products with high sales potential include intrusion-alarm devices, cameras, and private telephone systems. Other product areas of promising potential, though selective, include building supplies (sawn lumber and hardwood squares, plywood, and equipment for treatment of cellulose), and industrial training aids (audio-visual equipment), although the latter demand is spotty depending on company budgets.

The investment climate in Italy continues to be one of caution, but the situation is selectively more encouraging than in 1974-76. Labor unions are beginning to realize that economic recovery will not take place without increased productivity and a slowdown in the rise in labor costs. There has been increasing cooperation on the part of union leadership with government and management, and, if this trend should continue, the government's stabilization efforts can be successful.

U.S. direct investment inflows were just about balanced by outflows, but there was a net increase in domestic Italian operations from reinvestment of earnings and from domestic financing sources.

Although some U.S. firms have cut back staff because of lowered productivity coupled with higher labor costs—and a few have liquidated operations—several have increased their investments and there have been a few new ones. During the last few months, one U.S. bank has opened branches in both Milan and Rome, with a capital investment of $2.4 million. An American firm has made a new investment of $3.4 million in an Italian confectionery firm. Among increased investments by U.S. firms already in Italy are $3.5 million in a pharmaceutical plant in Naples, $4.5 million in aviation products, and $5.1 million in detergent manufacturing. A pump manufacturer has opened a new $16.5 million plant in Caserta near Naples.

Finally, good opportunities exist for U.S. firms to join with Italian partners in large-scale projects in third countries, particularly in the Middle East. IRI, the State-owned holding company, is especially interested in such ventures because many of its large operating companies are already doing good business in the oil-producing countries but need partners for large projects. In fact, IRI is planning to send top executives of a few of its most important companies to the United States in the near future to look into prospects for such ventures.

ISRAELI EXPORT GROWTH MAY EASE ECONOMIC ILLS

The Israeli economy remained sluggish in 1976. The outlook for the second half of 1977 is mixed, with some observers predicting an upturn late in the year, according to the U.S. Embassy in Tel Aviv. Recent substantial wage increases will lead to higher inflation as well as increased private consumption. Moreover, the pace of "creeping" devaluations of the Israeli pound may have to be stepped up to keep the export sector competitive.

Gross national product last year rose at only 1.3 percent in real terms and inflation accelerated again to 38 percent. Although industrial production and exports showed healthy growth, most other sectors of the economy continued to stagnate or even decline. The government is having little success in its efforts to restrain wages and consumption and to shift resources to the export sector. Real private consumption rose 5 percent in 1976.

The balance of payments account on goods and services showed a deficit of $3.2 billion in 1976, an improvement of $800 million over 1975's figures. The improvement was due to a substantial increase in exports, while imports declined slightly. The merchandise trade deficit was $1.65 billion, excluding direct defense imports. Strong areas in export growth included industrial goods and agricultural exports other than citrus. The deficit on goods and services account was financed by net capital imports of over $3.3 billion. Israel received $2.28 billion in unilateral receipts, principally U.S. Government grants, restitution payments by West Germany, and contributions from the world Jewish community. Long and medium-term loans amounted to $1.7 billion, mainly U.S. Government loans, commercial bank loans, and Israeli bond sales. Net foreign investment remained low.

During 1976, the government continued its policy of creeping devaluation of up to 2 percent per month. The policy is designed to keep Israeli exports competitive by at least offsetting the difference between the Israeli inflation rate and world inflation rates. The creeping devaluation appears to have prevented expectation of large devaluations and major speculation against the pound. The Israeli pound has been tied to a basket of currencies (U.S. dollar, German mark, French franc, British pound, and Dutch guilder) since July 1976. The rate dropped by about 23 percent in 1976, and at the end of March 1977, the basket rate for the pound was equal to IL (Israeli pound) 9.42. The U.S. dollar rate was $1=IL 9.28.

U.S. exports to Israel in 1976 amounted to about $892 million, 21.6 percent of the Israeli import market.

Israel hopes to expand its exports as part of a major policy goal of improving the balance of payments on current account. Its free trade agreement with the European Community gives its exporters a good opportunity to make inroads into the European market. Israeli exporters also benefit from the import preference scheme (GSP) of major industrial countries like the United States, and export prices are kept competitive by the policy of creeping devaluation. The government offers numerous other incentives to firms producing for the export market.

U.S. investors and sellers can take advantage of Israel's export promotion policy by providing capital goods which increase Israel's competitive position. Machinery which tends to decrease labor intensity in a given exporting industry is, of course, a good prospect in a fully employed economy with a relative shortage of skilled production workers. Capital intensive investments in export industries could offer a promising return. Best prospects for U.S. exporters are: electronic equipment components; high-capacity test equipment; metalworking machinery; chemical processing equipment; production process control instrumentation; and computers and peripheral equipment.

ROMANIAN FIGURES TOP TARGETED GROWTH GOALS; TRADE WITH U.S. RECOVERS

In 1976, Romania began its 1976-80 Five-Year Plan with a healthy economic performance which slightly exceeded the targeted growth goal. As has been the government's policy since the end of World War II, emphasis continues to be placed on industrial development, with about half of investment destined for this sector. The important agricultural sector, which accounts for 34 percent of total employment, rebounded from two consecutive poor years with a claimed record showing. On the international side, Romania is carefully monitoring its balance of payments situation, and laying stress on balanced bilateral trade in the hard currency area.

Earthquake impact

The economic impact of the severe earthquake which struck Romania on March 4 is still being assessed. While damage was heaviest to housing blocs located in the center of Bucharest, many factories and industrial facilities were also affected, leading to disruptions in production. Soon after the earthquake the Romanian Government pledged to overcome the production lags caused by the earthquake and to surpass planned production levels. Romania's ability to avoid economic disruption from the earthquake will depend to a large extent on the degree to which money previously intended for developing the economy must be diverted for housing and building reconstruction and rehabilitation.

Last year saw the conclusion of numerous bilateral agreements between the United States and Romania, continues the U.S. Embassy in Bucharest in its annual report to the Department of Commerce on economic developments and trends in Romania. These included the signing of economic, maritime and fishing agreements, and the entry into force of a tax convention. Added to earlier agreements and the extension of Most-Favored-Nation treatment and the Generalized System of Preferences (GSP) to Romanian exports to the United States, the basic framework for conducting trade relations between the two countries has been completed.

The 1976 trade turnover of $449 million resulted in a bilateral trade record, surpassing the previous record of $407 million in 1974. The 1976 level was 39.2 percent over 1975. The sharp increase was caused basically by substantial Romanian imports of U.S. agricultural products and the eased access to the U.S. market afforded Romania by GSP and the continuation of MFN. The bilateral trade target for 1977 is from $500 to $550 million. The United States has traditionally run a trade surplus with Romania; in 1976 it totaled $51 million. For 1977, Romanian officials have stated that trade between the two countries should be in equilibrium. Statements such as this are often close to the mark, for in Romania's planned economy, the government makes every effort to reach economic targets.

U.S. exports to Romania are dominated by agricultural exports and to a lesser extent by some raw materials and semi-finished goods. In 1976, U.S. manufactured exports (machine tools, plant equipment, etc.) accounted for under 15 percent of total United States exports to Romania.

On the U.S. side, imports from Romania have been dominated by petroleum-based products. There have also been significant imports of small tractors, wool suits and footwear, sheet glass and canned hams. For 1977, Romanian enterprises have already signed contracts to export television sets, radios, and iron and steel products.

Romania's import priorities

Projected from recent trends, Romania's priorities for imports from the United States in 1977 will continue to be agricultural items and selected raw materials and semi-processed goods. If imports from the United States are to jump by 25 to 30 percent in 1977 to help meet the two-way trade goal of $500 to $550 million, this should afford opportunities for exporters of United States manufactured goods.

As mentioned above, much of Romania's imports from the hard currency area will result from direct purchases of goods linked to export or import substitution projects, or will be tied to industrial cooperation projects. This latter area may involve: licensing; technical assistance; contracts requiring a compensation arrangement, e.g., production sharing and/or counterpurchase contracts; or, in rare cases, a joint venture involving a foreign equity investment of up to 49 percent, or some form of joint effort in a third country.

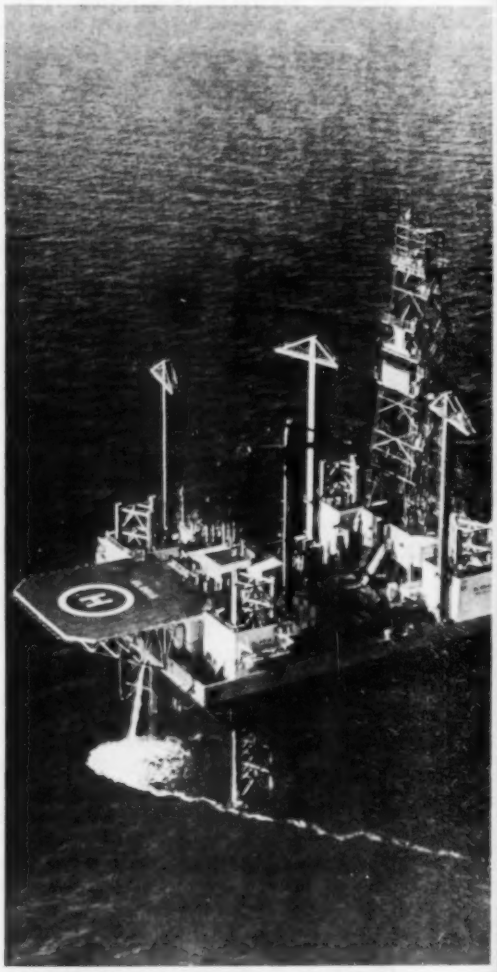
U.S. exporters should be aware that there are three specific phases to negotiations in Romania: 1) technical discussion; 2) commercial talks (may be carried out concurrently with the technical discussions); and, 3) final negotiations. In this phase Romanian regulations require that offers from two or three competing firms be considered.

Many U.S. companies have found the negotiation process in Romania to be time consuming (sometimes lasting two to three years or more), and expensive (just the task of putting together a contract is estimated to be up to ten times the cost, for major contracts, of concluding the same contract in the West). Nevertheless, as the experience of many Western European and Japanese firms has shown, the results can also be profitable.

Some key market sectors

Romania's major priorities for equipment and related services imports from the United States in 1977 include the following.

Machinery, Transport Equipment and Electronics: During the 1976-80 Plan, Romania is continuing to emphasize the further development of metal cutting machine tool production, fine mechanics and optics, and electronic industries. Romania's foreign trade organizations (FTOs) in these areas have been pursuing contacts with U.S. manufacturers of numerically-controlled machine tools, mini-calculators, diodes, semi-conductors, integrated circuits, aircraft, airborne communications systems, cash registers, etc. Romania's successful efforts to limit imports from certain major Western suppliers could open an important segment



ROMANIAN PLATFORM — *This Black Sea rolling rig was built with assistance of The Offshore Co., Houston, Tex.*

of the machine tool market to U.S. exporters.

Chemicals and Petrochemicals: This has been the fastest growing branch of Romanian industry since World War II. Its importance is expected to grow further and by 1980 it should account for 15 percent of total industrial output. The chemical and petrochemical industry in 1976 was expected to grow by 19.1 percent. Special emphasis is being placed on increasing chemical fertilizer production (needed by the agriculture sector).

Three planned new ammonia plants are now in the negotiation stage. A major refinery and petrochemical project (crude oil and investment) is under discussion with Kuwait. In addition, Romanian FTOs have been in contact with U.S. suppliers of equipment and processes for a butyl styrene rubber plant, a truck tire plant, and production of cosmetics and dyestuffs.

Major competition for U.S. companies comes from Japanese companies. The latter won two large contracts for petrochemical plants in 1976. Often in this area, the Romanians do not seek the most recent and advanced technology but settle for one that is readily marketable and with a lower initial investment outlay.

Metallurgy: Expansion programs are being implemented at several Romanian iron and steel plants, and construction will soon begin on a completely new integrated iron and steel center in Calarasi which will rival in size the existing Galati center (10 million-ton/year production capacity). In the initial stage for Calarasi, few imports are contemplated. Exceptions include refractory material, hydraulic equipment and automated processing equipment. Production at the end of the first stage in 1980 will be between 500,000 and 1,000,000 tons.

Aside from Calarasi, Romanian FTOs in the metallurgy field have contacted U.S. exporters of welding machinery, heavy plate equipment, stainless steel extrusion processes, scarfing machines, sulphur production equipment, ferroalloys, tinned sheet and special casting pipe.

Bulgaria Plans Two Exhibitions

The Bulgarian Chamber of Commerce plans to hold the following international exhibitions in Plovdiv next year: June 6-12—computer and measurement equipment, household and industrial electronics; Nov. 1-8—furniture and textile fabrics for home use, household porcelain, enamelware, aluminum and plastic vessels, and other small household articles.

For information contact: Bulgarian Chamber of Commerce and Industry, 11A Stamboliiski Blvd., Sofia; tel: 87-26-31, telex: 22374.

Irish Economy Gains Strength, Needs Wide Range Of Products

Ireland's recovery from economic recession began in the fourth quarter of 1975 and gained momentum in 1976, and the outlook for the remainder of this year is for generally good economic performance.

The U.S. Embassy in Dublin reports that Irish GNP in 1976 grew 3.5 percent in real terms over 1975. During the year there was a healthy increase in industrial production led by a sharp increase in manufactured exports. Personal consumption grew and apparently is continuing to grow this year. The January 1977 budget should make a balanced contribution to economic growth through the stimulation of private consumption and restoration of business confidence.

Both inflation at 18 percent and unemployment at over 11 percent were major problems in the economy in 1976.

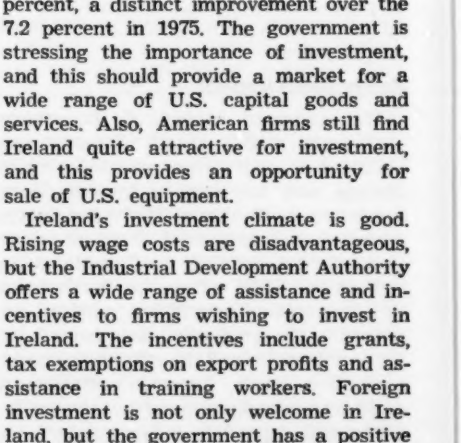
An important development in early 1977 was the conclusion of a national wage agreement which should have the effect of stabilizing wage costs during the remainder of the year. There should be considerable carry-over from last year's recovery, and the national wage settlement combined with the stimulative budget should give added impetus to growth. The Ministry of Finance has forecast a GNP growth in real terms this year of 4 percent, but other observers have estimated growth at between 3 and 4 percent. Strong recovery in industrial output is foreseen—as much as 8 or 9 percent for all industry. Investment is expected to increase by as much as 7 percent, and there should be considerable activity in construction. This economic growth will, of course, create an increased demand for imports, and the balance of payments deficit may reach 250 million pounds this year.

In the agricultural sector the pattern of rising prices which was a feature of 1976 is expected to continue, and agricultural prices may rise as much as 20-25 percent. Also, 1977 is expected to see an increase in agricultural output in volume terms. This rise in farm income plus an expected increase, although modest, in non-farm incomes should support an increase of up to 2.5 percent in domestic consumption. Overall export performance in Ireland—both industrial and agricultural—is expected to improve during the year. Much, of course, will depend on external demand and competitiveness of Irish goods.

While a number of advances are expected in the Irish economy, some troublesome problems will remain. There may be some improvement in the employment situation, but the gains are expected to be modest. Inflation will be less than that in 1976, but the rate of increase projected for 1977 is approximately 14 percent, which is high in comparison with other western industrial countries. Also, government spending is expected to increase, and this will act as a stimulus to the economy.

Due to recovery from recession and continued growth, Ireland's imports have increased substantially. The benefits that might be derived from this by U.S. exporters, however, may have been eroded somewhat by the continuing depreciation of the pound vis-a-vis the dollar. Nevertheless, Ireland has a continuing requirement for imported goods and services, and in 1976 the United States increased its share of total Irish imports to 8.5 percent, a distinct improvement over the 7.2 percent in 1975. The government is stressing the importance of investment, and this should provide a market for a wide range of U.S. capital goods and services. Also, American firms still find Ireland quite attractive for investment, and this provides an opportunity for sale of U.S. equipment.

Ireland's investment climate is good. Rising wage costs are disadvantageous, but the Industrial Development Authority offers a wide range of assistance and incentives to firms wishing to invest in Ireland. The incentives include grants, tax exemptions on export profits and assistance in training workers. Foreign investment is not only welcome in Ireland, but the government has a positive policy of attracting investment, particularly in employment-creating industries.



IRISH WORKER—*Operating a precision machine tool at Atelier Ltd., Ennis. Industrial activity in the country is picking up as the economy gains strength.*

Many U.S. Companies Banking On Zaire's Long-Run Potential, Despite Current Difficulties

Zaire enjoys one of Africa's most promising long-run economic potentials. Over the years U.S. business executives and bankers have invested substantial sums there and until recently U.S.-Zairian trade had grown steadily. Zaire, however, moves into the second half of 1977 facing uncertain short-run economic prospects. There are no signs of an early end to an economic slump that began over two years ago when the price of copper, Zaire's principal export earner, plunged. Reduced export earnings and an increased debt service burden have restricted imports, leading to falls in real GDP over the past two years.

Zaire is taking steps to improve export performance and to relieve its debt service burden through agreements with creditors. Export prospects in 1977 are improved somewhat by high prices for Zaire's agricultural exports, especially coffee. The invasion this spring of the country's economic heartland, Shaba Province, by dissidents associated with the 1960-63 Katanga secession, has been completely repulsed. Overall, the outlook is for continued economic stagnation over the next year, according to the U.S. Embassy in Kinshasa.

Areas of investment that are worth investigating at this time and should pay well in the long run are agriculture, particularly palm oil, cotton, sugar, rubber; stock and poultry raising; food processing; and manufacturing for import substitution. Investors with the long view should be aware that the Zairian Government has granted monopoly markets to manufacturers able to supply demand.

During the next couple of years, American exports to Zaire will in most cases be confined to equipment and supplies purchased under international tenders and financed by international financial institutions, raw materials and spare parts financed by U.S. Government balance of payments loans, machinery and supplies financed under U.S. and other bilateral aid projects and equipment purchased by foreign exchange earning sectors of the Zairian economy.

World Bank-financed projects are concentrated in the areas of road and port building, agriculture and school construction. Current projects approved to date have a total IBRD input of $29 million and projects under consideration for Zaire represent an additional estimated IBRD input of $78 million. In addition, IBRD provides primary support for the Zairian development lending institution, SOFIDE, which is expected to loan more than the equivalent of $11.5 million to private industry in 1978.

Purchases with balance of payments assistance funds vary with the changing needs of local industry, but past patterns have divided the available aid roughly 60 percent for spare parts for parastatal transportation companies, primarily rail and air, and 40 percent for private industry, primarily raw materials for the tire, battery and automobile assembly industries. U.S. balance of payments aid for FY77 will be $16.4 million, plus an additional $14.9 million in PL-480 agricultural product imports.

LIGHT LOAD FOR ZAIRE—*Getting eight long, bulky portable light systems from California to Zaire was no problem for Oswald Machine and Equipment Co., San Francisco. The systems went by jet freighter to New York, then by ship to Africa.*

The announcement early this year of $1 billion in Arab economic aid to sub-Saharan African states also means an increase in resources of the African Development Bank, another international institution which has provided financing for infrastructure development in Zaire. Since the United States joined the Bank in 1976, American suppliers are now eligible to bid on tenders offered by the Bank, and the U.S. Embassy will be following closely new projects approved for Zaire.

Principal U.S. aid project

The principal U.S. bilateral aid project confirmed for Zaire in the coming fiscal year is a corn production and marketing project which will be carried out over a six-year period. It is estimated that the project will require $1,350,000 in vehicles and road rehabilitation materials and equipment and an additional $500,000 in housing materials and communications equipment. A fisheries project, requiring about $127,000 in outboard motors, fishing nets and tackle, and automotive repair equipment, is also under way. It is also estimated that about $780,000 will be spent for trucks and four-wheel drive vehicles, soil research equipment, prefabricated warehouses and warehouse equipment, and garage equipment in connection with two additional projects proposed for the coming year.

Although most other aid projects financed by third countries in Zaire are tied to purchase of products produced in the lending countries, U.S. companies will get a spin-off from inputs they provide. For example, a Canadian project to expand the timber industry in Zaire is expected to finance $40 million in timber equipment purchases, of which 65 percent of the input must be Canadian. American companies with affiliates or subsidiaries in Canada will be providing inputs for the timber machinery purchased through that loan.

Equipment purchases by private industry in Zaire will not be determined so much by need, which is great and pervades every industry, as by the availability of foreign exchange to purchase replacement equipment and spare parts. Most Zairian companies have no equipment purchasing plans because they have no guarantees that foreign exchange will be available to them.

However, it can be reasonably expected that foreign exchange-earning export industries (mining, timber and coffee) will make most of the machinery purchases in the next two years. The mining sector, particularly the parastatal copper mining company, Gecamines, which has embarked on a $500 million expansion, will continue to be the leading purchaser of American equipment. The timber industry, a potentially large foreign exchange earner, can be expected to reprovision itself slowly through the 10 percent of its own foreign exchange earnings it is allowed to retain.

Likewise, the coffee industry, and through it, peripherally, other agricultural enterprises, will also be able to purchase equipment and supplies with the retained 10 percent of foreign exchange earnings. Although the recent stampede to develop coffee production has all the investment planning of a gold rush, earnings and infrastructure development generated by coffee producers can be expected to spill over into other areas of agricultural production.

Transportation equipment will also

continue to be a good seller, but since the major part of the transportation industry in Zaire is state-owned and operating at a loss, major purchases will probably be generated only through the international organizations and bilateral aid mentioned above.

In sum, short-run prospects for American investment and trade in Zaire are not bright, but those who look to the long term should lay the groundwork now if they expect to compete with well-established European interests for the market. The American stake in Zaire is already considerable. Private companies have invested approximately $200 million there. U.S. lenders, public and private, may have as much as $800 million in outstanding loans to Zaire. There is no doubt that American capital will continue to play an important role in the country's economic development.

PERU'S ACTIONS IMPROVE LONG-TERM OUTLOOK, BUT INHIBIT CURRENT IMPORTS

U.S. exports to Peru will show only moderate growth in 1977, perhaps reaching $600 million as compared with $580 million in 1976. This modest increase is a direct reflection of Peru's present serious economic difficulties, as the government continues its austerity program designed to reduce the balance of payments deficit and control inflation.

Marisa R. Lino, Commercial Officer at the U.S. Embassy in Lima, reports that the major concerns for Peruvian economic policymakers in 1976 were inflation and balance of payments difficulties. The government undertook an austerity program in 1976 to overcome these problems. The rate of inflation reached 45 percent in 1976 on a December-to-December basis, as compared with rates of 24 percent in 1975 and 19 percent in 1974.

The higher rate of inflation in 1976 originated principally in the major mid-year devaluation of the Peruvian sol. In September, the government adopted a mini-devaluation system. The devaluation and mini-devaluations have aided in curbing import growth and have stimulated export performance. Thus, while Peru's manufacturing and import sectors entered a recessionary phase in 1976, the longer-term outlook for the economy as a whole is substantially improved.

Economic growth as measured by Gross Domestic Product slowed substantially in 1975 and 1976, registering rates of growth of 3.3 percent and 3.0 percent in these years as compared with an average annual rate of growth of 6.0 percent during the four-year period 1971-74. The government forecasts 1977 economic growth at 3.7 percent.

The agricultural, mining, and fishing sectors turned in a generally satisfactory performance in 1976 and are expected to do so in 1977. The manufacturing sector has been hit hardest by the government's austerity program and had a low rate of growth in output in 1976 (4.2 percent), and is expected to have a slightly lower rate of growth in 1977. The pattern of economic growth in 1976 differed substantially from the performances of recent years. The urban sector (manufacturing, industry and construction) entered a recessionary phase during the second half of 1976, due to a decline in domestic demand related to inflationary-erosion of domestic purchasing power and to cutbacks in public sector investment programs.

Concerning the balance of payments, the government succeeded in reducing the trade deficit from $1.1 billion in 1975 to $0.7 billion in 1976 and a further reduction to $0.1 billion is planned for 1977. The more auspicious results for 1977 arise from growth in exports related to increased production of copper and other minerals, and from decreased import expenditures obtained by a reduction in petroleum imports (as new domestic production comes on line) and by means of tighter import controls.

With the above-noted improvements in the trade balance, the current account deficit was reduced from $1.5 billion in 1975 to $1.1 billion in 1976 and a further reduction to $0.6 billion is forecast for 1977. However, normal capital inflows did not suffice to cover these deficits in 1975 and 1976. Peru's foreign exchange reserves were depleted by nearly $0.6 billion in 1975 and the government sought and obtained a $400 million credit package from foreign commercial banks in 1976, which, with over $200 million in drawings from the International Monetary Fund, covered the 1976 balance of payments deficit.

The single most important factor which inhibits the growth of U.S. exports to Peru is the lack of foreign exchange available to the Peruvian buyer. Peru is facing an extreme shortage of hard currency and has instituted several measures to increase its availability.

The government several years ago established a quota system to apportion hard currency for importers. This year it divided the allotments on a quarterly basis. Within a given quarter, importers may not use currency assigned for subsequent quarters. However, it is possible to use any unused amount from a previous quarter in a subsequent period. Importers complain that quotas are not sufficient for their needs. The outlook for changes in this system in the near future, however, is dim.

This year the Peruvian Government has also instituted a prior import license system in an attempt to close the trade gap, which is draining foreign exchange reserves. The purpose of the system, ostensibly, is to put an end to the tedious and bureaucratic procedures that hamper trade. The actual effect has been to add more paperwork to an already burdensome routine. Importers claim that there are inordinate delays in the issuance of permits. There has actually been a decrease in authorizations compared with 1976 and importers are hampered by this "experiment." The new system is a required procedure for all but Andean Pact imports.

The United States has a sales advantage in most products in terms of quality, delivery time, availability of spare parts and service. However, competitive financing will increasingly become a vital factor in determining sales in the face of foreign exchange scarcity, and reduced domestic credit availability. The government will be authorizing the importation of only relatively high priority items while the acquisition of less essential products will have to be postponed. The greatest emphasis will be in mining, ore processing, and fishing, and to a lesser degree, agriculture and livestock.

Best long-range prospects

The best long-range prospects for increased exports to Peru involve the major investment projects being undertaken by the public sector. For example, Centromin will be investing heavily in the expansion of its copper refining circuits and zinc refinery at La Oroya, its anodic sludge and waste mine water treatment plants at Cerro de Pasco, and expansion of its Cobriza mine and concentrator. Petroperu is studying the feasibility of substantial investments in a petroleum refinery and ammonia-urea complex at Bayovar, the terminus of the Trans-Andean Pipeline. The Ministry of Transportation will be financing the construction of six new airports in the interior and the modernization of several existing ones in addition to purchasing 100 large buses for interurban service.

Government ministries and semi-autonomous agencies will also be investing heavily in energy systems, communications networks, sanitation, water and sewage lines, fishing ports, irrigation projects, shipbuilding, cement plant expansion, food handling and distribution facilities, educational centers, tourism and medical equipment.

American manufacturers with an immediate interest in entering the Peruvian market might consider exhibiting their product lines at the Tenth Pacific International Fair in November. There will be official U.S. participation in this fair, and those interested in exhibiting should communicate with Robert A. Kohn, Commercial Attache, U.S. Embassy, Apartado 1995, Lima 100.

INTERNATIONAL BUSINESS REPORTS

The Helsinki Final Act: A Guide for the U.S. Business Community. Prepared by the Bureau of East-West Trade in the U.S. Department of Commerce. 8pp. Free.

While the most publicized provisions of the Final Act of the Conference on Security and Cooperation in Europe, sometimes called the Helsinki Accord, concern cooperation in humanitarian fields, one of the other two sections includes provisions which relate directly to the interests and needs of American companies doing business with the Soviet Union and the countries of Eastern Europe. "Basket II," the part of the Helsinki Final Act that deals with the development of economic and commercial cooperation among the signatory states, includes provisions that are aimed at facilitating business transactions and commercial exchanges, specifically: expansion of contacts and business facilities: exchanges of commercial information; development of marketing, advertising, and after-sales service; expansion of industrial cooperation; commercial cooperation in technology; harmonization of standards and technical regulations; arbitration; and repatriation of profits and capital and avoidance of double taxation. This booklet offers a brief discussion of these points.

U.S. firms are asked to keep the U.S. Government informed of their experiences in the foregoing areas by writing the Bureau of East-West Trade, U.S. Department of Commerce, Washington, D.C. 20230.

Write: Any Commerce District Office, or Bureau of East-West Trade (Room 4325), U.S. Department of Commerce, Washington, D.C. 20230.

Telecommunications Equipment: A Market Assessment for the People's Republic of China. Prepared by the U.S. Department of Commerce. $1.70.

The import market for telecommunications and cinematographic equipment in the People's Republic of China shows potential for reaching $40 million a year by the mid-1980s, according to this study designed to help U.S. manufacturers of this equipment assess their chances for meeting some of the demand. The study advises, however, that much important information that would be readily available to market researchers in any other country is unattainable from the Chinese because "China releases very little about its economy and even less about its foreign trade plans." Findings in the study are drawn from the known history of the telecommunications sector of the Chinese economy; the PRC's past foreign trade in telecommunications equipment; analyses of recent developments in China's radio, television, telegraph and cinematographic networks, and knowledge of PRC trading practices.

Write: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or most Commerce District Offices.

International Environmental Guide. Prepared by the Bureau of National Affairs, Inc. 1976 supplement, $20; parent work with 1976 supplement incorporated, $95.

Desk reference in loose-leaf binder format on the environmental laws, treaties and regulations of more than 20 countries.

Write: BNA Books, 1231 25th St., NW., Washington, D.C. 20037.

An International Trade Reference Guide & Services Directory for the Ozarks Region. May 197[illegible] Published by the Ozarks Regional Commission. 167pp. Free.

Illustrated reference guide targeted principally towards new-to-export firms in Kansas, Missouri, Arkansas, Louisiana and Oklahoma. Designed to help the new exporter: locate and analyze markets; identify buyers; prepare sales quotations; arrange export financing; determine appropriate packing and packaging; select most appropriate mode of transportation; understand export document requirements; know when to insure shipments; assemble an export reference library.

Write: Ozarks Regional Commission, Suite 109 Evergreen Place, 1100 North University, Little Rock, Arkansas 72207, or the industrial development agency in any of the states listed above.

Calendar For World Traders

June 20—Houston — World Trade Assn. luncheon meeting. Peter Nixon, Australia's Minister for Transport, will discuss Australian Energy and Economic Policies. Cosponsors: Institute of International Education, International Business Committee of the local Chamber of Commerce, Port Bureau and Port Authority.

June 21—Costa Mesa, Calif.—Orange County Chamber of Commerce breakfast seminar on Doing Business in Western Europe, South Coast Plaza Hotel. Information: 714-634-2900.

June 21-22—Fontana, Wis.—International Committee Conference of the Society of the Plastics Industry, Inc., the Abbey on Lake Geneva. Theme: Can the U.S. Plastics Industry do Business in Africa. Information: Howard Kibbel, 212-573-9427.

June 21-24—New York—Middle East/World Expo '77, Hilton. Sponsor: Patents International Affiliates, Ltd., 212-755-3500.

June 22—San Diego—World Trade Assn. luncheon meeting, University Club. Theme: Selling in the Middle East. Information: 714-293-5395.

June 22—Greenville, S.C.—Seminar on Export Financing, Payments and Insurance. Conducted by Bernie McPheely, Trade Specialist, Columbia Commerce District Office. Registration: Rick Snoddy, 803-242-1050.

June 22—Cedar Rapids, Iowa — Sixth Annual Governor's Conference on Export Expansion, Roosevelt Royale Hotel. Commerce speaker: Alan A. Reich, Deputy Asst. Secretary for East/West Trade. Sponsors: Iowa Development Commission, Cedar Rapids International Trade Bureau, District Export Council, Manufacturers Assn., Center for Industrial Research & Service of Iowa State Univ., Des Moines Commerce District Office.

June 22-24—Chicago—World Trade Institute seminars, on Solving Tax Problems in Compensating Employees Overseas: Avoiding Excessive and Multiple Taxation, and Fundamentals of Foreign Exchange, Playboy Towers Hotel.

June 28-29—New York—World Trade Institute seminar: Trade Expansion Through International Financial Institutions.

June 29—New York—International Executives Assn. luncheon meeting, Summit Hotel. Congressman Jonathan B. Bingham will discuss Boycotts, Embargoes and Export Controls.

June 29-30—Indianapolis — "Reverse investment conference," entitled A World of Profit: Licensing and Joint Venture, Hyatt Regency. Sponsors: Indiana Department of Commerce, District Export Council, Commerce District Office. Designed to inform American companies how they can take advantage of the increased interest of European companies in investment opportunities in the United States.

June 29-30—New York—World Trade Institute seminar: Reducing Cross-Cultural Problems in Saudi Arabia.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about licensing and joint venture proposals, opportunities to sell to foreign enterprises and appoint agents, visits by foreign buyers and officials, and major construction and expansion projects.

Licensing, Investment Abroad

1011—CAMEROON — American Embassy in Yaounde reports that U.S. firms should consider visiting Cameroon to evaluate **iron ore deposits** for possible future mining activity. Major deposits begin near Djoum (apparently extension of Babonese ore bodies), extend eastward. Cameroon Government officials estimate that deposits total one billion tons with iron content ranging from 40 to 75%. A UNDP report on mineral resources may be ready by mid-summer. Infrastructure development will be expensive but a major integrated forest project planned for Sangmelima area may help make such development feasible. Economic/Commercial Section of U.S. Embassy will provide available information to company representatives. Address: Rue Nachtigal, Yaounde; telephone, 33-57 or 33-58. P-77719. OPIC.

1611—NIGERIA—Large contracting firm seeks U.S. joint venture partner for **road construction.** Established in 1968, firm employs 800. Is registered with Federal Ministry of Works and three State Ministries. U.S. partner would provide machinery and equipment and construction and engineering personnel. A. A. Daodu, Mng. Dir., Oasis (Nigeria) Ltd., PMB 5372, Ibadan. P-77752.

1622, 1623, 3448—SAUDI ARABIA—Seeks to collaborate with U.S. firms to **build prefabricated steel warehouses, other commercial structures; also to construct bridges, roads, buildings, water and sewerage lines.** Firm established in 1965 as general contractor. Mustapha Younus, National Establishment, P.O. Box 1674, Riyadh. Telephone: 62328. P-77720. WTDR. OPIC.

2033—MOROCCO—A leading food canning company desires licenses to produce **ketchup, sauces, fruit in syrup, specialty items.** Licensing arrangement would include utilization of U.S. formulae and brand name. Products would be for local consumption. U.S. brands of products mentioned are popular despite excessive prices. Firm was established in 1962; employs 55 to 250. Devico Mardochee, Administrateur, S.A. Les Conserves de Meknes, AICHA, B.P. 217, Rue Ain Slougui, Meknes. P-77745. OPIC.

2038 — AUSTRALIA — Firm seeks licensees to produce **frozen baked goods and frozen meals, including pizza.** With 5,000 employees, company is one of largest in food industry. Names of interested U.S. firms will be forwarded to American Consulate General in Sydney for transmittal to Australian firm. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-77740.

2099, 2834, 2844—FRANCE — Seeks licenses to manufacture **prescription pharmaceuticals, diet products, cosmetics, veterinary products.** Firm currently manufactures, distributes same category of products. Established in 1920, is part of larger group employing 400. Company official, Mr. Vernin, plans to visit U.S. in July to meet firms interested in proposal. Mr. Vernin, Laboratoire Mayoly-Spindler, 16 ave. des Chateaupieds, BP, 206, 92505 Rueil Malmaison. Telephone: 749 2283. P-77736.

2099, 2844, 2834—SWEDEN — Seeks licenses to manufacture **food, health, beauty aids, pharmaceutical products** for Scandinavian market. Will also consider distributorships. Established 1895, company has 650 employees. It manufactures, markets consumer personal care products in Scandinavia, 6 other countries. Erland Hedgren, Pres., Cederroths AB, Box 40, S-194 01 Upplands-Vasby. Telephone, 0760-860-80; telex 10267. P-77721.

2252, 3149—MOROCCO—Seeks licensing arrangement to produce **sport hosiery, sport shoes** (e.g., tennis, soccer, basketball). No capital participation required. Licensing should include authorization to produce U.S. brand products, patterns, designs. Hamadi Hamidouch, Hamidouch Sports, 3, rue de Paris, Meknes. P-77747. OPIC.

2431—SAUDI ARABIA — Newly established firm plans production of **wood flush doors;** make 58,000 doors and casements in first year. Increase production to 100,000 units by fifth year. Seeks technical assistance agreement with U.S. firm to manage plant, maintain quality control. Saudi firm will use imported packaged sawn timber, plywood cut to size, red maranti hardwood for lipping and honeycomb core. Will prime, lacquer, install foil faced doorsets. Arabian Woodwork Co., Ltd., P.O. Box 2337, Jidda. Cable: AFAF. P-77722. OPIC.

2821—MEXICO — Seeks joint venture with U.S. firm to establish new company to produce **resins and plastic protective coatings** used in **construction industry including impermeability coatings for roofs, protective coatings for tubing, protective application equipment for metal structures.** Also products for use under severe weather conditions. Firm manufactures vinyl plastic products, has annual sales of $140,000, 25 years experience in field. Owner is willing to visit U.S. companies interested. Ing. Eduardo Sampson, Gen. Mgr., Termo Plastics, S.A., Victoria No. 81, Naucalpan de Juarez, Estado De Mexico. Telephone: 905-576-8533. P-77754.

2844 — THAILAND — Seeks licensing agreement with U.S. firm to establish plant to produce **perfume oil and liquid perfume** for Thai market. In 1975, Thailand imported about $117,000 worth of perfumes and $325,000 worth of peppermint oil. Company currently imports and wholesales fertilizer, chemicals, agricultural equipment. Deja Suphantharida, Mng. Dir., Seri Agricultural Chemicals Co., Ltd., 73 Chakrapetch Road, P.O. Box 2161, Bangkok. P-77753. OPIC.

2865—INDIA—Seeks technology to produce **nitrochlorobenzene products.** Output of proposed plant scheduled to be 5,000 m.t. per year. Facility will be part of complex now producing sulfuric acid, formaldehyde, acetanilide and meta-amino phenol. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-77723. OPIC.

2893—UNITED KINGDOM — Seeks licenses to manufacture, distribute **inks for technically advanced forms of printing, such as heat transfer printing of textiles, metal decoration, and U.V. and infrared carton printing.** Established 1878, has 57 employees; annual sales, 450,000 pounds. Firm produces inks for letterpress, litho, screen printing. Douglas G. Hartley, Asst. Commercial Attache, U.S. Emb., 24 Grosvenor Sq., London W1A 1AE, England. Please reference licensing opportunity No. 42. P-77737.

3079—SOUTH AFRICA — Seeks licenses to manufacture **porous piping for underground root watering of plants;** also for production of **polypropylene and high density polyethylene pipe** 13 mm. to 530 mm. in diameter. Established 1972, company employs 85; has capacity of 450 t. per month of polypropylene and polyethylene pipe. Would prefer to collaborate with smaller U.S. firm. J. A. Venter, Mng. Dir., Dupleix Plastics (Pty.) Ltd., P.O. Box 1587, Brakpan 1540, South Africa. Telephone, 011-55-8235; telex, 8-6832SA. WTDR. P-77732.

3272—GERMANY — Seeks licenses from U.S. companies for manufacture of **concrete pipe and related concrete products.** Firm is diversifying its operations by adding new product lines to its business. Is producer of reinforced and nonreinforced concrete products. Dipl.-Ing. Ricus Mueller, Mng. Partner, Betonwerk Bremer Kreuz GmbH KG., Auf dem Peterswerder 14, 2800 Bremen. P-77742.

3400, 3500—GERMANY — Small firm seeks licensing and/or joint venture arrangement to produce **metal fabricated products.** Company wishes to complement its present line with following products: light metal fabrication and material handlings, light machinery, sheet metal heat insulating panels and casings, compressors, electrical alarm systems, modules, switchgear. Firm presently

manufactures, distributes custom-tailored cabinets and panels, casings of various types for communications equipment, control rooms, monitoring stations. Mrs. H. Eisenbach, Mgr., Kurt Eisenbach Schaltschrankfabrik, D-6480, Waechtersbach-4-Leisenwald. Telephone, 06053-311-314; telex, 4184389 Elle D. P-77724.

3494—ITALY—Seeks licenses to produce **gas valves specifically designed for burners and small boilers.** Firm presently makes textile machinery and heating equipment such as burners, boilers, furnaces. Is main machinery supplier to domestic worsted fabric industry; has about 15% of gas-oil-fired burners market. Employs 1,150; operates efficient production facilities. Is interested in marketing valves in Italy, other EEC countries through joint commercial effort with U.S. licensors. Details available from: Ing. Fabio Rota, Import-Export Mgr., Sant'Andrea Novara, Officine & Fonderie, S.p.A., Via Leonardo da Vinci 18, 28100 Novara. WTDR. P-77725.

3500—UNITED KINGDOM—Major holding company seeks licenses to manufacture, market **agricultural, materials handling, transportation, production components and cleaning and reclamation equipment.** Product interests include tractor accessories, bailing equipment, conveyors, cranes, elevators, road hammers, hydraulic and pneumatic rams, valves, waste disposal equipment, water pressure cleaning systems, irrigation equipment. Firm markets worldwide (except United States); employs 500. W. A. Airey, Mng. Dir., Weeks Associates Ltd., Ferry Road, Hessle, Hull, HU13 ODZ, England. P-77733.

3559—INDIA — Large manufacturer of machine tools, tractors, other products plans diversification program. Seeks licenses to produce **leather-working machinery.** Product interests include hydraulic shaving, vibratory staking, band knife splitting machines, autosprays with drying units, hydraulic plating presses. The government-owned company employs over 19,000; annual sales, about $111 million. Has licensing agreements with number of foreign firms. G. V. Appa Rao, Gen. Mgr. (Projects), Hindustan Machine Tools Ltd. (HMT), 36 Cunningham Road, Bangalore 560052. WTDR. P-77738. OPIC.

3559—ITALY—License to produce **automated sulfonation systems utilized for processing powder detergents** is sought by important manufacturer of papermaking equipment. Firm operates well equipped plant with iron foundry, large production department turning out fabrications up to 40 tons, medium-heavy-duty workshop with hoisting facilities capable of handling components up to 50 t. Also fabricates heavy machinery on contract basis for leading Italian concerns. Employs 980; annual sales for past 5 years averaged $30 million. Sig R. G. Serassio, Manufacturing Mgr., Beloit Italia, S.p.A., Pinerolo. WTDR. P-77734.

3559—MEXICO — Manufacturer of **machinery for sugar, paper, cement, mining industries** seeks joint venture to expand working capital. Also makes conveyors. Offers complete or majority equity interest to U.S. investor. Mexican firm's equipment and machinery has established value of $250,000, buildings reported worth over $3 million. Firm is presently 100% Mexican owned. Antonio Caballero, Gen. Mgr., Povel, S.A., Guillermo Barroso No. 13, Fracc. Industrial Las Armas, Puente De Vigas, Tlalnepantla, Edo. De Mexico. Phone: 572-4211. WTDR. P-77755.

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. WTDR request forms may be obtained from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

3566 — GERMANY — Manufacturer of bearings and bearing accessories **seeks** licensing arrangement to produce **mechanical, hydraulic, electronic gears,** especially within range of capacity of 0.5 kw. to 20 kw. Contact: Ms. Doris Atkind, Trade Promotion Officer, European-American Banking Corp., 10 Hanover Sq., New York, N.Y., 10015; telephone, 212-437-4300. P-77750.

3569, 3842—EGYPT—Seeks joint venture to manufacture **industrial safety equipment, portable fire fighting apparatus.** U.S. participant is required to supply machinery, technical know-how. Egyptian company can provide land, buildings, marketing, skilled labor. Presently produces aluminum safety helmets, gloves, aprons, reinforced leather boots, welding goggles. Has obtained government permission to expand production capacity. Firm has conducted feasibility study, which indicates local market capable of absorbing fire fighting apparatus and safety equipment valued at $1.2 million annually. Adel A. Moussa, Gen. Mgr., Arab Trade & Distribution Organization, 66 Aboul Dardar St., Alexandria. WTDR. P-77735. OPIC.

3585—THAILAND—Small firm seeks licenses to **assemble split type air conditioning units, 12,000 BTU's and over.** Market locally and neighboring countries. Initially assemble 100-200 units per month. Presently selling units assembled by affiliated companies. Koragrich Paiboolsirikul, Gen. Mgr., Garnier International Co., Ltd., 3rd Floor, MAF Bldg., 42 Surawongse Road, Bangkok. WTDR. P-77743. OPIC.

3589—AUSTRIA—Seeks licenses to manufacture **environmental protection equipment such as industrial water purification installations.** Firm is especially interested in equipment made of chrome-nickel steel or titanium and aluminum. Presently, company produces dairy equipment, cooling systems, storage tanks. Established 1899, employs 250. Josef Silberberger, Jurany & Wolfrum, Pasettistrasse 29-31, A-1200 Vienna. U.S. firms responding to this opportunity are requested to send copy of their initial correspondence to the American Embassy, 1X Boltzmanngasse 16, A-1091, Vienna. P-77726.

3589—ITALY—Seeks licenses to produce **waste water and sewage treatment equipment and apparatus, especially for anaerobic sludge digestion.** Firm is also interested in agency, joint venture agreements with U.S. manufacturers. Company is private construction, engineering firm active in waste water treatment since 1972. Has already completed several projects for sewage processing plants. Is registered with Italian Ministry of Public Works as a qualified bidder. Firm's managing director plans to visit U.S. this summer to discuss cooperative agreements with American companies. Dr. Ing. Francesco Santasilia, Mng. Dir., Aquasafe S.p.A., Via Guido D'Arezzo 18, 00198 Rome. P-77727.

3589—JAPAN—A leading chemical manufacturer seeks advanced technology for **denitrification for ultimate waste solid treatment and for water reuse.** Company reported annual sales of about $2 billion in 1975 consisting mainly of coke, petrochemical products and materials for synthetic fibers. Employs over 11,000, operates sales offices in ten major Japanese cities. Also has four production facilities. Nobuyuki Shishido, Mgr., Water Treatment Engineering Group, Technical & Engineering Dept., Mitsubishi Chemical Industries Ltd., Mitsubishi Bldg., 5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100. P-77739.

3634—ECUADOR—Principal engineering school in Quito is interested in promoting investment in assembling facilities for **small domestic thermo-electric appliances.** These include irons, electric kettles, hot plates, small electric ovens, immersion heaters. Organization believes excellent market potential exists for appliances assembled and sold in less developed regions of Ecuador. Market for irons is estimated at 100,000 annually. School seeks to act as intermediary to facilitate such investment; is flexible as to agreements. Will consider joint ventures, technical know-how arrangements. Additionally, Government of Ecuador offers generous incentives for industrial investment in less developed regions. For details, write in Spanish to Ing. Erwin Acosta G., Escuela Politecnica Nacional, Instituto de Investigaciones Tecnologicas, Ave. 10 De Agosta 1337, Quito. Telephone: 541-794. P-77748.

3713—SAUDI ARABIA — Firm which presently fabricates small numbers of trucks, tanker and dump truck bodies, wishes to contact U.S. manufacturers of **bus bodies** to discuss local manufacture or assembly in Saudi Arabia. Al-Owaidah Establishment, P.O. Box 114, Riyadh. Cable, ALOWAIDAH; telex, 20086SJ. P-77751. OPIC.

3823, 3825—INDIA — Seeks technical know-how for manufacture of **sophisticated electronic instruments.** Firm is particularly interested in manufacturing **oscilloscopes, signal sources 50 MHZ-500 MHZ, and digital measuring equipment; industrial process control/measurement equipment; printed board sub-assemblies made to order and analytical instruments.** Proposed technical collaboration will be based either on royalty or lump sum pay-

ment arrangement. In accordance with the Government of India's policy for technical collaborations, Indian firm will be expected to export part or total production. Company is presently involved in manufacturing testing and measuring equipment. B. Rathke, Mng. Dir., Universal Electrics Ltd., 9/1 R. N. Mukherjee Road, Calcutta 700001, West Bengal. P-77744. OPIC.

3953—UNITED KINGDOM — Seeks licensing arrangement for manufacture of **rubber stamps and ancillary products** allied to its general field of activity. Firm presently produces custom-made rubber stamps, rubber stamp accessories, stationery items; general printer by lithography and letter press. Firm claims to be largest U.K. producer of rubber stamps. Established 1929. Christopher M. Brown, Sales Dir., Mark C. Brown & Son Ltd., P.O. Box 69, 4 Baker St., Hull, HU2 8HS, England. P-77728.

3955—SYRIA — Consortium of Syrian businessmen seeks joint venture arrangement with U.S. company to establish factory for production of **carbon paper.** Syrian partners would like to provide 50% of the equity, or they may contribute land, building, furniture, installation of water and electricity, supply of raw materials, certain local expenses. U.S. firm would contribute equipment, licenses, technical know-how. Plant would be located in one of Syrian free zones. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-77746. OPIC.

4511—NIGERIA — Seeks joint venture partner to establish **registered air cargo company.** Chief Kola Balogun, Chmn., M. B. Airlines Ltd., 13 Shyllon St., Ebute Mitta, Lagos State. Cable: MUBALINE, Lagos. WTDR. P-77729.

7814—ITALY — Successful Milan **film, videotape studio** seeks U.S. investors to participate in management and enlargement of present operations. American investor is offered majority interest for about $500,000. Firm specializes in audio visual educational, advertising and training films. Produces mainly for domestic market. Gianni Baratto, Dir. Gen., VID.N. S.P.A., Corso Di Porta Romana 51, 10122 Milan. P-77730.

8931—TAIWAN—A leading certified public accountant plans U.S. visit in June-July. He seeks to contact American firms and individuals **interested in investment and patent and trademark registration in Taiwan.** His present clients include large Chinese and U.S. companies. Hamilton F. Shen, c/o Mrs. Suling Fu, 228 Country Club Drive, Coram, N.Y. 11727. P-77731. OPIC.

Tri-Country Forum On Latin Projects Set For November

A "Tri-Country Industrial Project Exchange" is being organized by the United Nations Industrial Development Organization (UNIDO) in cooperation with the Interamerican Development Bank, the Institute for Latin American Integration, Argentina's Undersecretariat of Industrial Development of the Republic of Argentina, the Ministry of Industry and Energy of Uruguay and the Ministry of Industry and Commerce of the Republic of Paraguay. The purpose is to provide a meeting place for confidential discussion on industrial ventures which Paraguay, Uruguay and Argentina plan to promote.

Individual meetings will be scheduled between project promoters and representatives of foreign enterprises as well as financial institutions in industrialized and capital-exporting countries. The meetings are to be held in Mar del Plata, Argentina, Nov. 21-22; Punta del Este, Uruguay, Nov. 23-24; and Ita Enramada, Paraguay, Nov. 25-26. The main objective is to bring the projects, submitted to the Tri-Country Industrial Project Exchange, to actual implementation, thus accelerating the transfer of capital and technology from the industrialized countries to the developing countries. A list of investment projects by sector and country, selected for discussion at the Exchange, is available—as well as latest industrial investment information on each country.

Participants from developing and industrialized countries are asked to register before July 15. Registration forms and additional information can be obtained from Aron J. Aizenstat, Director, Liaison Office, United Nations Industrial Development Organization (UNIDO), New York, N.Y. 10017, telephone 212-754-1234, Ext. 3847; and P. H. Kruck, Investment Cooperative Programme Office, UNIDO, Lerchenfelderstr. 1, P.O. Box 707, 1070 Wien, Austria. P-77749.

Important Notice

Most member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specific types of business relationships with the State of Israel. The Commerce Department will not disseminate nor make available for inspection any tenders or trade opportunity documents which contain conditions intended to support such boycotts, or which are based on documents known to contain such provisions. Trade or investment opportunities published herein are not presently known to be subject to such conditions. However, it is possible that U.S. firms responding to opportunities from Arab countries may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (b) to encourage and request U.S. concerns engaged in the export of articles, materials, supplies, or information to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting such restrictive trade practices or boycotts. Accordingly, U.S. concerns receiving such requests to participate in a restrictive trade practice or boycott are encouraged and requested to refuse to comply with them.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such request to the Department of Commerce in accordance with Section 369.4 of the above-cited regulations.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under a joint venture, licensing, or representation agreement, write the Domestic Investment Services Staff, Bureau of International Commerce, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-5361), referring to the appropriate file number.

Investment/joint venture

GERMANY—Welding, lathework, milling machinery. Company wants joint venture in U.S. for machinery assembly. Personnel requirements are 50 blue collar workers to be trained by German technicians. Size of plant not indicated, but company has indicated preference for locating in Michigan, Ohio, Illinois, Pennsylvania, Indiana, Virginia or New York. Inquiries and offers can be addressed to Commercial Section, American Con. Gen., Urbanstr. 7, D-7000 Stuttgart 1. File 3436.

Licensing

AUSTRALIA—Special garment for invalids, particularly for persons confined to wheelchairs or beds. Suffices for a blanket. Mrs. I. E. Hughes, 31 Bernecker St., Carina, Queensland, 4152. File 3437.

AUSTRALIA — Swimming pool cover. Steel safety frame is cantilevered from vertical column which is fixed in ground in concrete pad. Frame will swing 360 degrees, allowing it to be located to shade the sun. Removing handle from winch makes device child-proof. A. J. Holley, Group Mng. Dir., Chadwick Group—Vic., P.O. Box 265, Springvale, Vic. 3171. File 3438.

AUSTRALIA—Self-tipping wheelbarrow. Has U-shaped handle to which two levers are fitted to control scoop mounted on frame of wheelbarrow. Desi Pty. Ltd., Box 1690, Hay Street East, Perth, W.A. 6001. File 3439.

AUSTRALIA—Oil and gasoline dispersant. New chemical invention called "Slixit" which, according to company, when applied immediately renders oil, gasoline, and other solvent spillages nonflammable. Also eliminates damage by aviation and other fuels to bitumen and asphalt. Slixit removes slip hazard by actually drawing grease and oil from concrete pores. Further use for the chemical is to disperse oil on water, land, roads, runways, tarmacs. The chemical is also excellent for tank cleaning and degreasing in marine and other applications. Slixit is a liquid chemical compound; is non-toxic, non-flammable, contains no solvents. Managing Director will be visiting United States in July/August; will be available to have discussions with interested licensees. Contact Australian Trade Commissioner, 636 Fifth Ave., Suite 426, New York, N.Y. 10020 or write to E. Haynes, Mng. Dir., Redic Australia Pty. Ltd., 852 Mountain Highway, Bayswater, Vic., 3153. File 3440.

AUSTRIA—Highway safety guard rail. U.S. Patent No. 3.981,486 uses "crumple effect." Josef Weidenhoffer, 1030 Wien 3, Lowengasse 25. File 3441.

BELGIUM — Computer. Digital safety computer for hydraulic cranes. Doris Atkind, Trade Promotion Officer, European

American Bank, 10 Hanover Sq., New York, N.Y. 10015. File 3442.

FRANCE — Clamps, couplings, adapters for copper, lead, PVC, iron pipes. Mr. Kagan, Gen. Mgr., EDM KAL'O, Chemin des Grands Ormes, 77330 Ferolles Attilly. File 3443.

GERMANY—Aluminum doors and window frames. Leading German manufacturer. Guenter Reinecke, Mgr., Schueco, Heinz Schuermann GmbH, Postfach 7620, Karolinenstr. 1-15, 4800 Bielefeld 1. File 3444.

GERMANY — Ladies' handbags, leather and artificial. German company will supply new models, cuts, prototypes, brochures. Dr. R. Meyer-Cronenberg, c/o Dieter Remmert Lederwarenfabrik, Lilienthalstr. 17, 4816 Bielefeld-Sennestadt. File 3445.

GERMANY—Rotary mulching machines and wood crushing machines to attach to tractors. U.S. Patent No. 3,228,483. Alfons Fleck, Mgr., Maschinenfabrik Bermatingen GmbH, D-7775 Bermatingen/Bodensee. File 3446.

SWITZERLAND—Alarm system for skiers, hikers, mountain climbers in distress. Jean Guinard, La Plantaz, CH-1164 Buchillon. File 3447.

UNITED KINGDOM—Addressing stamp, used for addressing labels, envelopes. C. J. Rickard, Dir., Stenprint Ltd., No. 7, Mursell Bldgs., Churchill Industrial Estate, Lancing, Sussex BN15 8UN. File 3448.

UNITED KINGDOM — Greenhouses for the home. John R. Atkinson, Mng. Dir., Kingston Developments Ltd., P.O. Box 90, Kingston-Upon-Hull, HU3 4JB. File 3449.

U.S. Representation

AUSTRALIA—Metal belt buckles, high quality, suitable for men, women. H. J. Arendsen, Mktg. Dir., H. Arendsen & Sons Pty. Ltd., 1303-15 Malvern Road, Malvern, Victoria, 3144. File 3450.

AUSTRALIA—Woolen cardigans, sweaters. E. R. Jozsa, Mng. Dir., Endy Knitwear Pty. Ltd., 46 Foster St., Surry Hills, N.S.W. 2010. File 3451.

The following trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Program, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest indicated by codes 0111-1799 and 4011-8999 are based on the Standard Industrial Classification Manual, 1972; codes 20 through 39 come from Numerical List of Manufactured Products (New 1972 SIC Basis), MC72-1, 2. Codes beginning with 99 are from the TOP coding system.

U.S. firms should be aware that the listing in Commerce America *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Department's Export Administration Regulations. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

The mark (●) indicates that this trade opportunity is a request for bids by a foreign government agency.

Direct Sales

Miscellaneous nonmetallic minerals, except fuels

1499—MOROCCO—Asbestos: 4t, 5d, 6d & "ml 6" types. Established 1970, owns Maroc-Tuyaux, one of major local manufacturers of asbestos-cement products. Present annual consumption about 1,000 m/t ea. of first 3 qualities, & 800 m/t of fourth item, described also as "blue asbestos." Good reputation. Firms interested in bid for deliveries in 50 kilo. plastic bags, should quote c.&f. port of Kenitra. Partial regular deliveries acceptable. Cargo ships of Prudential Lines reach Kenitra regularly on monthly basis. Strongly advise bid submission in French language if at all possible. Present suppliers are Canada and U.K. Reply by fastest means to—Miloud Chaabi, Pres., Chaabi & Compagnie, B.P. No. 45, Kenitra. Tel: (016) 3355.

Construction

● **1611 — HONDURAS** — Mario Flores Theresin, Ministro, Ministerio de Comunicaciones, Obras Publicas y Transporte, Unidad Ejecutora Del Prestamo, Barrio La Bolsa, Comayaguela, D.C., invites firms to bid for construction of 297.56 km infrastructure roads as follows: La Union-Pueblo Viejo-Mame 112.91 kms.; San-Esteban-Bonito Oriental 91.25 kms.; Bonito Oriental-Puerto Castilla 50.80 kms.; Saba-Olanchito, 42.60 kms. Construction firms must have previously prequalified to participate in project. Tender financed with IDB loan 495/SF-HO granted to government. Tender documents available from address above for 325 Lempiras (U.S.$162.50) for La Union-Mame section, 275 Lempiras (U.S.$137.50) for Bonito Oriental-Puerto Castilla section; 275 Lempiras (U.S.$137.50) for Saba-Olanchito section. In correspondence refer to SECOPT-COHDEFOR-INA. Bid deadline July 29.

● **1612, 3613100, 3621100—TANZANIA**—Tender for contractors for design, manufacture, shipping, erection, commissioning and maintenance of pumping plant and associated equipment for two treated water pumphouses. The two pumping stations will have maximum outputs of 1000 m3/hr at around 74m head and 900 m3/hr at around 45m head, respectively. Contract will include 33kv transformers and switchgear, 400v switchgear, all pipework control, metering, wiring for both pumping stations together with all necessary lifting tackle, access platforms, stairways and handrails. Financed by World Bank loan. Tender documents cost approx. $60, refundable on receipt of bonafide tender. Interested firms can obtain bid documents from Childs-Clarke & Co., P.O. Box 2165, Dar es Salaam, or Sir Alexander Gibb & Partners, Earley House, 427 London Rd., Earley, Reading RG 6 IBL, U.K. Bid deadline July 22.

1623—PAKISTAN — Potential Engineers have applied to Water & Power Dev. Authority (WAPDA) for pre-qualification as prospective bidder for construction Lyallpur-Guddu single-circuit 500-kv transmission line, approx. 335 miles with est. foreign exchange portion of construction (excl. material & equip. which are to be procured separately) cost $30 million. Wishes to have U.S. partner who would provide 1 or 2 engineering supervisors to introduce specialized technology on job & train local employees. At present holds subcontract for erection of towers & stringing of 500-kv transmission line between Tarbela & Fatehjhang, approx. 100 miles. Estab. 1975, employs 5 qualified professional engineers & 20 skilled field staff. Mng. dir. is well estab. & respected industrialist & businessman. For background info consult WTDR 12/76 on Modern Bldg. Systems, Ltd. Cable—Jahangir Malik, Mng. Dir., Potential Engineers, Ltd., 43 Shahrah-e-Quaid-e-Azam, Lahore. Telex DELZIL; tel. 65571 and 81717.

Industrial chemicals

2813498—SWITZERLAND—Newly developed aerosol gases to substitute for flurocarbon. Dick visiting U.S. as of June 18, and is interested in meeting with U.S. firms offering products & know-how as above. With labor force of 180, Aerosol-Service is Switzerland's most important firm for custom aerosol filling. Has considerable know-how & its own department engaging in mfr. of machinery & equip. for aerosol fillers. Financial standing is first-rate & business reputation regarded excellent. Reply to— Mr. A. Dick, Vice Dir., Aerosol-Service AG, Weilstrasse 12, Ch-4125 Riehen. Cable AEROSOL RIEHEN; tel. 061/67 50 57; telex 62.584 ASERV.

2819000—MOROCCO—Supply 1800 m/t sodium chlorate, at no less than 98 percent concentration in 1, 2 or 3 shipments. Quote c.&f. Moroccan port. Quotation by telex 31086 in English language acceptable. Estab. 1954, employs 600, sole producer of paper pulp in Morocco, good reputation. Reply by fastest means to—Mohamed Mezzour, Dir. Gen., La Cellulose du Maroc, 12 Rue Tissa, B.P. 429, Rabat. Cable CELLUMA; tel. 26387/33781; telex 31086M.

2819955—BELGIUM—Para-hydroxy mercurity phenol, para-chloro mercury phenol, & any other para mercury phenols in production. Catholic University of Leuven is looking for supplier of chemicals listed for its biochemistry laboratory. Has been unable to find supplier in Europe. Reply to—Professor G. Preaux, Kathol. Universitieit Leuven, Laboratorium Voorbiochemie, Dekensraat 6, B-3000 Leuven. Tel. 016-222-335.

2899598—AUSTRIA — Retention agents for paper industry; flocking agents for use in sewage purification systems. Interested f.o.b. prices & technical literature; L/C payment. Also seeks representation arrangements with producers of above. Importer/distr. of chemicals & auxiliary products used in paper industry & recycling facilities. Estab. 1951, operates own engineering dept. & laboratory. Reply to—Dipl. Ing. Reinhardt Justin, Dr. Justin & Co. K.G., Alte Poststrasse 351-359, A-8020 Graz. Cable JUSTIN GRAZ. Tel. (3122) 21-4-33; telex (3) 1374.

Petroleum refining

2911098, 3999913, 3231638—PAKISTAN—100 percent concentrated aromatic chemicals to be used in mfg. perfume compounds; atomizers for cosmetics & perfume. Glass bottles. Also, cellophane sheets & rolls. Medium-size co., primarily engaged in importing mfg. & distribution. of aromatic chemicals, essential oils & compounds. Also interested in commission importing of listed products. Requests c&f Karachi quotations. Estab. 1969, employs 25, 6 in sales, sales area Pakistan. Annual sales vol. $800,000. Reply to—Syed Abid Ali, Dir., Abid & Co., Ltd., P.O. Box 270, Melaram Rd., Dabar Market, Lahore. Cable ABID CO.; Tel. 60127. Ref: Ft. Dodge Laboratories, Ft. Dodge, Iowa 50501.

Fabricated products

3069585—INDONESIA — Life vests/jackets. Seeks to import same life vests/jackets as approved & purchased by U.S. military & should have assigned a military specification. Requires catalogs, samples & price quotation, terms of payment a.s.a.p. WTDR 4/77. Reply to—Diddi Tschampel, Mng. Dir., Aero Intl, Jalan Raya I/41, Kebayoran Baru, Jakarta Selatan. Cable AEROINTER; telex 011-46106; tel. 771154. Ref. MS/75/123.

Kitchenware

3262000—BOLIVIA—Kitchenware, different types, & cooking, preparing & storing food utensils for 400-bed hotel. Quotations c.i.f. Matarani, Peru. Reply to—Gran Hotel Cochabamba, Jaime Claure, Casilla 500, Cochabamba. Cable GRANHOTEL.

Cutlery, hand tools, gen'l hardware

3429210/50—NEW ZEALAND — Furniture makers' hardware of all kinds. Also, vinyl floor coverings. Dir. sale & agency. Old estab. family-owned & operated company with excellent reputation & reported annual sales turnover in excess of NZ 6 million. Early response recommended as co. officials planning visit to U.S. later this year & will call on appropriate contacts estab. through this inquiry. Reply to—G. H. Wormald, Furnishing Mgr., H. T. Merritt Ltd., P.O. Box 14442, Panmure, Auckland 6. Cable OMNIA.

3429653—JAPAN—Roof-mounted ski carrier for autos. Should be adjustable to fit all types of cars, incl. those without rain gutters. Direct sale & excl. distr. Requests product literature, price quotations & terms asap. Plans to make purchasing order immediately to be ready for coming ski season. Believe this has very high probability of success if appropriate U.S. mfrs. can be located. Reply to—Masanao Hariu, Import Section, Hokkai Jidosha Kogyo K.K., 1, Higashi 4-chome, Ohdori, Chuo-ku, Sapporo 060. Cable FORD HOKO SAPPORO; telex 0932-819.

Heating, plumbing apparatus

3433000—MOROCCO — Central heating equip. for houses, apartment buildings, schools, hospitals, etc. Also builders' hardware, all types. Requests brochures with price quotations c. & f. Direct sale & distr. Estab. 1947. Good reputation. Embassy strongly advises use of French language if at all possible. Reply by fastest means to—Mohamed Ben Hlih, Dir. Gen., Etablissements Susini, S. A., 4 Ave. du Chellah, B.P. 138, Rabat, Morocco. Tel. 23207/08; tx. 31797.

Communications equipment

● **3662000, 3713000—ALGERIA** — Direction des Douanes Transmissions, Blvd. Mohamed Khemisti, Algiers, has issued tender for supply of 15 HF transmitters, 400 to 500 watts, 15 HF receivers, four vehicles equipped for maintenance and control of telecommunications equipment, and unknown number of VHF and UHF radio telephone networks. Bid deadline July 13. All correspondence must be in French. All specifications metric. Copy of specifications available from above address.

Scrap & waste materials

5093—TAIWAN—Scrap & waste pp (50 m/t), pe 30 m/t, abs 20 m/t, pa (delin) 20 m/t, acrylic 50 m/t. Reply to—Boter L. S. Chang, Asst. Mgr., Foreboom Enterprises, Ltd., 25, Lane 97, Sungchiang Road, Taipei 104. Cable FOREBOOM; tel. 521-1757; tx. 22654.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Wood, metal products

2499494—GUATEMALA — Toilet seats. Opening new exclusive store, selling bedroom & bathroom accessories. Paid capital declared at $35,000. Buonafina family owns cattle & sugarcane plantations. Family well related in local commercial & social circles. Recommended as trade contact. Reply to—Marta Buonafina de la Torre, Mgr., Rafael Buonafina A., 6A. Avenida 12-34, Zona 9, Guatemala City. Tel 64064.

2499611—ARGENTINA—Hardboard wall panels, plastic coated, embossed, painted or grooved. Est. annual sales $500,000. Involved in distribution of locally produced hardboard panels. As a result of improved market conditions in Argentina & more favorable import duties, Prema feels there is a good potential, particularly for embossed wall paneling. Marketing territory: Argentina, and possibly Uruguay, Paraguay & Bolivia. Reply to—Antonio Milano, Gral. Mgr., Prema S.A., Av. Mitre 4567, 1874 Villa Dominico, Pcia. De Buenos Aires. Tel: 207-7618.

Pulp mills, products

2611100—UNITED KINGDOM — Fiber pulp for paper-making. Small private co., estab. 1975, controlled by Frank A. Kirkham (U.S. citizen). Operates as importer/exporter in above products, trading in both directions with U.S., Europe & Middle East. Has 5 employees & annual sales vol. 80,000 pounds sterling. Interested in distribution & agency arrangements. Reply to—Frank A. Kirkham, Mng. Dir., Intercontinental Fibres Ltd., 21 Temple Ave., London N. 20 9EJ. Tel. 01-445-5608; telex 916226 CODE FIBRES.

Glass products

3231638/71 — GERMANY — Scientific glassware, controlled pour glass, other glassware, incl. laboratory, industrial or technical glass items, multiple-glazed, sealed insulating glass units. Est. value $100,000. Major W. Berlin research institute seeks import of above for own use in W. Berlin. Metric measurements desired. Quote c.i.f. German port, if possible. Reply to—Frau Marion Beister, Institut Fuer Biochemie Der Fu Berlin, Limonenstrasse 7, D-1000 Berlin 45. Tel. (030) 838-29-37.

Cutlery, hand tools, hardware

3423365—AUSTRALIA—Precision files to be used by locksmiths. Co. is small distrib. of hand tools, builders hardware & domestic hardware. Imports from W. Germany, Austria, Spain & Brazil. Harper believes that current quota restrictions on importation of files & rasps now in effect will not cover importation of these specialty files. Reply to—J. E. Harper, Owner, Harper's Agencies, 7 Iluka St., Black Rock, Vic. 3193. Cable EDWINHOLM MELBOURNE; Tel. 03-99-4235.

Electric motors

3621000 — GERMANY — Fractional hp electric motors, excl. hermetics; automobile accessory motors (incl. all accessory motors, such as heater, convertible top, automatic windows, etc.). Electric motors for vacuum cleaners, both household & professional type. Major W. Berlin distr. seeks import of above items in substantial quantities for wholesale trade. Electrical specs. must meet European standards of 220 volts & 50 hertz. Metric measurements also desired. Quote c.i.f. German port. Reply to—Herrn Juergen Schmidt, Firma Technisches Buero Juergen Schmidt, Paulstrasse 20 G, D-1000 Berlin 21. Tel. (030) 394-43-40.

Electronic components, accessories

3679012—UNITED KINGDOM—Accelerometers, small signal line amps, strain gauges & pressure transducers. Mfr. & distr. of miniature pressure transducers, seismic detectors, & signal conditioning equip. With total of 28 employees incl. 3 salesmen, & annual sales volume of 200,000 pounds, this small firm has good reputation within field, & has devoted great deal of time & effort to consideration of additional products which it might import or sell under agency arrangement. Reply to—R. W. G. Pickard, Dir., Sensonics Ltd., Chartridge, Chesham, Bucks., HP5 2SH. Tel. Chesham 74251; telex 837548.

3679022—UNITED KINGDOM—Modules & subassemblies, timers, sensors, over-

load & limit switches, programmers & sequencers for domestic appliance, automotive, & consumer electronics mfg. industry. Small to med.-sized mfr. (250 employees) of electromechanical relays, wound components, metal stampings & pressings, seeking to broaden activities with sales of imported products complementary to own production. Employs 2 salesmen; separate sales subsidiary, Regal Electronic Components Ltd., provides addl. outlet. Annual sales vol. currently 1,600,000 pounds sterling. Reply to—J. C. South, Mng. Dir., Osborne Electronics Ltd., Osborne Works, Binstead Road, Ryde, Isle of Wight. Tel. Ryde 63622; Telex 86363; Cable: OSBELEC. Ref.: Barclays Bank Ltd., High St., Ryde.

3679022 — UNITED KINGDOM — High speed D-A & A-D converters, & narrow band operations amplifiers. Formed 1975 to sell Computer Products Inc., minicomputer interfaces, has expanded activities by representing 2 addl. U.S. companies—Optical Electronics Inc., for wideband opamps, & Sitran Digital Inc., mfrs. of digital transducers. Has 7 employees, 3 of which are salesmen, & has annual sales in region of 200,000 pounds sterling. Reply to—G. W. Readman, Dir., DI-AN Data Systems Ltd., 70-74 Princes St., Stockport, Cheshire. Tel: 061-236-2321; Telex 666850. Ref. Barclays Bank Ltd., York St., Manchester.

Instruments for measurement, analysis and control

3662659—AUSTRALIA—Mineral & metal detectors. Estab. to repurchase business previously operated by Tough. Sales reported $240,000/yr. & increasing. WTDR on file. Good opportunity for U.S. co. Reply to—S. H. Tough, Chairman, Tisco 74 Pty Ltd., P.O. Box 220, Subiaco, WA 6008. Cable TISCO PERTH.

3825298—SWITZERLAND — Electronic test & control instruments for textile industry. Specializes in automation & related process control instrumentation. Small but competent, good reputation. Bank ref: Union Bank of Switzerland, 8001 Zurich, Switz. Reply to—Roman Reischenboeck, Pres., Messinstrumente, 15 Griesernweg, 8037 Zurich. Tel. 04/44 59 34.

Optical instruments, lenses

3832135—SWITZERLAND — Optical test & control instruments incl. comparators, microscopes, interferometers, etc. Specializes in automation & related process control instrumentation. Small but competent, good reputation. Bank ref: Union Bank of Switzerland, 8001 Zurich. Reply to—Roman Reischenboeck, Pres., Messinstrumente, 15 Griesernweg, 8037 Zurich. Tel. 04/44 59 34.

Photographic equipment

3861564—SINGAPORE — Graphic arts film. Incor. 1976. Management highly experienced in printing equip. & supplies business. Has sales ability as firm has estab. good contacts with private & gov. printers in Singapore & neighboring Malaysia & Indonesia. Banks with Overseas-Chinese Banking Corp. Ltd., OCBC Centre, Chulia St., Singapore 1. Annual sales potential of this opportunity est. at $500,000. Reply to—Chan Sechon, Graphic Consultant, Chemclean Printing Consultants & Engineering Services Pte Ltd., Suite 201, Glass Tower, Clemenceau Ave., Singapore 9. Cable CHEMCLEAN, SINGAPORE; tel. 329127/8.

Printing equipment, supplies

3861739—PERU—Heat transfer paper for use in printing designs on polyester fabrics or blends of max. 35 percent cotton/76 percent polyester. Suppliers should not confuse requested heat transfer paper with sheet transfer paper used for printing on t-shirts. Franco indicates heat transfer paper should be type with design printed on it which is passed, together with white fabric, through calender: by process of heat & pressure, design is transferred onto fabric. Small distributor of fabrics, mainly rubber covered fabrics, battery separators, textile looms for upholstery fabrics, & carpet accessories. Formerly represented Texon, Inc., S. Hadley, Mass.; Roberts Consolidated, Los Angeles; Rubyco Mills, Montreal; Michel van de Wiel, Belgium. Franco has good contacts in local textile business. Interested in acquiring new representations because his former lines can no longer be imported. Prefers to deal with mfrs. rather than suppliers. Reply to—Joe Franco, Dir., Compania de Importaciones Albert S.A., P.O. Box 3675; Jr. Lampa 349, Of. 31, Lima 1. Phone 286137.

Toys, amusement, sporting goods

3942006—FRANCE—Dolls which can tan. Founded in 1930s & capitalized at $200,000. Importer, exporter, distr. & retailer of tires, auto-radios, cassettes, bicycles, & accessories for automobiles & bicycles. Sales area extends to E. France & Germany, & sales network incl. 12 traveling salesmen. Imports car access. from Italy, bicycles from U.K., & cassettes from Germany. Wishes import above for resale or become distr. of its U.S. mfr. Item would be included in Kautzmann's new leisure dept. Employs 150 & is said to be one of the biggest in the area in its particular field. Annual sales 1976 reportedly $11,000,000. Credit rating excellent. Recommended as trade partner for U.S. concerns. Reply to—Marcel Kautzmann, Pres., Ets. Kautzmann, 280 Route de Colmar, 67024 Strasbourg Cedex. Telex 880488 F, phone 88 - 39.99.20.

Scrap & waste materials

5093—UNITED KINGDOM—Fiber waste, incl. sub-standard. Small private co., estab. 1975, controlled by Frank A. Kirkham (U.S. citizen). Operates as importer/exporter in above products, trading in both directions with U.S., Europe & Middle East. Has 5 employees & annual sales vol. 80,000 pounds sterling. Interested in distribution & agency arrangements. Reply to—Frank A. Kirkham, Mng. Dir., Intercontinental Fibres Ltd., 21 Temple Ave., London N.20 9EJ. Tel 01-445-5608; telex 916226 CODE FIBRES.

Trinidad And Tobago Requires Foreign Consultant Registry

Notice No. 56 published in a supplement to the Trinidad & Tobago Gazette of April 12, cites an order of the President, Republic of Trinidad & Tobago, that it is necessary for both local and foreign consultants wishing to participate in government projects to register with the Central Tenders Board, 48-50 Sackville St., Port of Spain. According to the order, a consultant is a person who in the opinion of the Board is qualified to be registered for government projects, and includes architects, engineers and surveyors. Consultants wishing to register may apply to the Board at any time. A copy of Government Notice No. 56 is available from the Department of Commerce, TOP, Rm 2321, Washington, D.C. 20230; 202-377-2251.

Dubai Plans Printing Facility

A Dubai firm plans to establish a large printing facility. U.S. firms interested in supplying letter press, offset printing, and electronic printing equipment for this project respond directly to S. M. Jaferi, Al-Siddique International, P.O. Box 2151, Dubai, United Arab Emirates. Telex is 6250 NAAHID DB. Please send copy of initial correspondence to Albert J. Planagan, BIC/CAGNE, Room 3203, U.S. Department of Commerce, Washington, D.C. 20230.

Future Construction Abroad

KUWAIT—Well-known Kuwaiti commercial establishment seeks U.S. firms interested in design and installation of **turnkey plants for manufacture of stereo cassette tapes and processing of basic animal fodder** with aim of producing concentrated feed, i.e., pellets, cubes, bricks, also with capacity for production of pet food. For additional information contact Pete Zantal, CAGNE/BIC, U.S. Department of Commerce, Washington, D.C. 20230.

HONDURAS—Invitation to bid on construction of **administrative offices and regional diagnostic laboratories of Animal Health Program**, which government will execute with IDB financing. Group and location of buildings are: Group I, central off., Neuva Aldea Tegucigalpa, 550 sq. m.; I, maintenance workshop, Nueva Aldea, 600 sq. m.; II, regional lab. & off., La Ceiba, 500 sq. m.; III, regional lab. & off., San Pedro Sula, 500 sq. m.; IV, regional lab. & off., Santa Rosa, 500 sq. m.; V, regional lab. & off., Comayagua, 500 sq. m.; VI, regional lab & off., Danli, 500 sq. m.; VII, regional lab. & off., Juticalpa, 500 sq. m.; VIII, regional off., Olanchito, 180 sq. m.; IX, regional lab. & off. Choluteca, 500 sq. m. Financed with IDB Loan 395/SF-HO for $4.4 million. Tender documents and specifications available from Ramon Villeda Bermudez, Mgr., Programa De Sanidad Animal, Direccion General De Operaciones Agricolas, Secretaria De Recursos Naturales, KM. 5, Carretera A Lepaterique, Apartado Postal T-250, Tegucigalpa, for 50 Lempiras (US$25). Bid deadline July 11.

EGYPT—Ministry of Irrigation, Sadd al Aali & Aswan Dam Public Authority, High Dam West, Aswan, seeking qualified contractors for construction of **Toshka Spillway Canal.** Project estimated to cost $100 million and is to require digging of 40-km canal from Lake Nasser to Toshka Valley. When completed, 250 million cm of water will flow daily from Lake Nasser to Valley. Tender documents including specifications and drawings may be purchased from above address by payment of L.E. 100 (U.S. $142.86) per copy. Each offer must be accompanied by provisional deposit of 2 percent of total amount of

bid. Closing date for submittal of proposals is Sept. 9.

COLOMBIA—On Dec. 14, Government of Colombia approved Decree 2613, which established **new industrial development policy to create industrial parks in medium-size cities** in order to decentralize national economic development process. Ministries of Finance, Economic Development and National Planning Office will be instrumental in implementing formation of these industrial parks. Will be formed as corporations (Sociedades Anonimas) and stock will be publicly traded. These corporations can be either private or mixed (private & government capital). In every case, government will conduct economic feasibility study to determine viability of industrial park location. If favorable results obtained, industrial park corporation will buy property and begin leasing to individual companies. National Government, working through local governments, will offer incentives to companies locating plants in the industrial parks. These include: lower real estate taxes, lower corporate taxes, and availability of soft loans through government and quasi-government financial institutions at lower interest rates and longer repayment terms. Government will also create sound local infrastructure to insure success of industrial parks, including adequate water and sewage systems, telecommunications systems, housing, and medical facilities. Oscar Castro Garcia, Director, Corporacion Para El Desarrollo De Caldas, Calle 64A No. 24-50, Manizales, stated that his organization is preparing study on Villamaria Industrial Park and is requesting information on existing industrial parks in United States. Villamaria is small city near Manizales in Department of Caldas and as such is slated for stimulation by government's Industrial Parks Program. Interested U.S. firms can communicate with Dr. Castro, address above, and send carbon copy to Janice Philbrick, Office of Export Development, Rm 3410, U.S. Department of Commerce, Washington, D.C. 20230.

INDIA—To ensure continued development of Indian agriculture, the government's Ministry of Agriculture launched nationally coordinated **National Seed Program** (NSP) in 1976 to restructure industry and improve quantity and quality of seed production in India. Major feature of the 4-5 year program would be establishment of state seed corporations in participating states to produce, process and market certified seed. To be implemented in two phases, NSP would support all facets of seed production, from breeder and foundation seed production through certified seed production, processing, storage and marketing. Expected that by final year of project, production of certified seed in organized sector would increase to 250,000 mt, giving incremental yield of foodgrains of 5.64 million tons. Phase I: Estimated to cost $50 million including $10 million in foreign exchange, covers States of Andhra Pradesh, Haryana, Maharashtra and Punjab. Envisages seed output of these four states would be increased by approx. 100,000 mt by final year of operation. Government has received loan of $25 million from International Development Association for implementing this phase. Government-owned National Seeds Corp. (NSC) is primarily responsible for implementation of project. Phase II: Proposed line of credit will be second phase of World Bank-IDA assistance to NSC. Phase II proposes to cover States of Karnataka, Tamil Nadu, Rajastha, Bihar, Uttar Pradesh, Madhya Pradesh and Orissa and involves investment of over $110 million. Government has requested IDA line of credit amounting to $25 million. Phase II is essentially continuation of seed development program. Officials expect final agreement with World Bank to be concluded within next 4-5 months. Project completion deadline estimated at 4-5 years. Imports will be on basis of international competitive bidding in accordance with World Bank/IDA bidding conditions and procedures. NSC wishes to receive from U.S. manufacturers and suppliers of following equipment, detailed product literature and indication of estimated c.i.f. prices: land development machinery; crop production equipment; seed processing & storage equipment; cooling, dehumidifying & laboratory equipment. Contact N. S. Maini, Mng. Dir., NSC, Beej Bhawan, CTO Premises, Pusa Complex, New Delhi 110012. OPIC.

Visiting Buyers & Officials

GERMANY—Duesseldorf firm interested in becoming distributor for U.S.-made **ND-PE cartridges for sealants and adhesives.** For further information contact Theresa E. Rettig, Foreign Buyer Program, Room 2322, U.S. Department of Commerce, Washington, D.C. 20230, 202-377-3265.

SWITZERLAND—Wm. M. Haage, purchasing manager for Samen Mauser AG, will visit the United States during July to purchase **seeds, garden tool implements, garden sundries, and pet food and pet shop articles.** Also seeks sales outlets for Samen Mauser's line of Alpine flower and vegetable seeds. Haage estimates that he can redistribute and retail $500,000 worth of U.S. products in Europe annually. Plans to visit New York City, Rochester, N.Y., Philadelphia, Chicago, Minneapolis, San Francisco, Los Angeles, Denver, and Atlanta. Mail expression of interest directly to: W. M. Haage, Samen Mauser AG, Zurichstr 98, CH-8600 Duebendorf.

ISRAEL—Businessman arriving in U.S. approximately July 1 for three weeks. Seeks contact with manufacturers/suppliers of **aluminum strips** with following specifications: width: 1", 2", and 1⅜", thickness: .088", for manufacturing venetian blinds. Expects to purchase 500 tons immediately. For further information contact U.S. Department of Commerce Project Officer Jim Nader, Room 2322, Washington, D.C. 20230; 202-377-3265.

SWEDEN—Representative of large and reputable department store operation will be in United States June 22-July 15, seeking **products suitable for mail order business and department stores,** especially those used in demonstration sales. Call Peter B. Alois, U.S. Department of Commerce, Foreign Buyer Program, Room 2322, Washington, D.C. 20230; 202-377-3265.

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Hartford, Conn., 06103, Room 610-B, Federal Office Bldg., 450 Main St. (203) 244-3530.

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Pittsburgh, 15222, 2002 Federal Bldg., 1000 Liberty Ave. (412) 644-2850.

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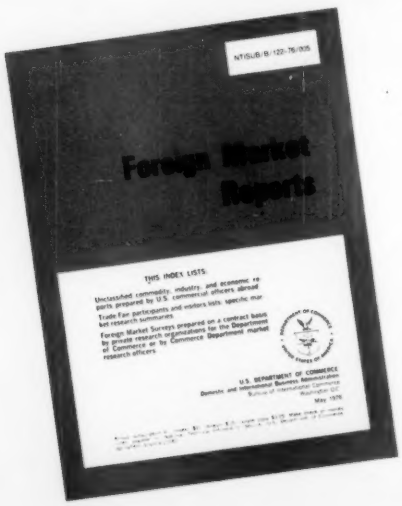

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